

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF
THE CITY OF SAN JOSE

MEMORANDUM

TO: OVERSIGHT BOARD	FROM: NORBERTO DUENAS EXECUTIVE OFFICER
SUBJECT: SEE BELOW	DATE: MARCH 19, 2015

SUBJECT: RE-APPRAISAL OF THE PUBLIC PARKING GARAGE LOCATED
AT 88 EAST SAN FERNANDO STREET

RECOMMENDATION

Adopt a resolution (i) approving the process of obtaining another appraisal for the public parking garage located at 88 East San Fernando Street in San Jose, California ("Garage") to establish a market value for the acquisition of the Garage by the City of San Jose ("City") and (ii) selecting two (2) members of the Oversight Board to form a sub-committee to approve the recommended appraiser and to oversee the appraisal process.

BACKGROUND

In 2002, the former Redevelopment Agency entered into a Disposition and Development Agreement with CIM Urban Real Estate Fund, L.P. for the development of a mixed use high rise building to be located at 88 East San Fernando Street in San Jose consisting of 197 residential condominiums, a parking facility for the residents, ground floor retail, and the Garage, a segregated underground public parking garage containing 330 spaces. The Successor Agency now owns the Garage and as such, is part of a Master Homeowner's Association ("HOA") that was formed pursuant to a Master Declaration of Covenants, Conditions, Restrictions and Reservation of Easements recorded against the properties in 2008 ("CC&Rs").

In November 2012, the Oversight Board approved the solicitation of offers to purchase four (4) real property assets of the Successor Agency, including the Garage. The Oversight Board directed the Successor Agency to obtain an appraisal or estimate of value for each of the properties. The Successor Agency contracted with Don Byrne Jr. of Colliers International to provide a restricted appraisal for each of the properties. Mr. Byrne had over 20 years of experience as an appraiser in Santa Clara County and was a Member of the Appraisal Institute (MAI) and the American Society of Appraisers (ASA). Mr. Byrne prepared a restricted appraisal dated December 4, 2012 and determined that the fair market value of the Garage was \$671,000 (minus the accumulated HOA fees of

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\$181,000 resulting in a value of \$490,000. Through the solicitation process, the Successor Agency received one offer to purchase the Garage from Next Ventures, LLC. Next Ventures offered to pay \$300,000 for the Garage, although the original solicitation required the potential buyer to pay all outstanding amounts owed to the HOA at closing (approximately \$181,000 at the time) for a total purchase price of \$481,000. At the Oversight Board meeting on January 10, 2013, the Oversight Board rejected Next Ventures' offer to purchase the Garage because it failed to meet the appraised value. A copy of the Memorandum to the Oversight Board dated January 4, 2013 and the restricted appraisal prepared by Mr. Byrne is attached hereto as Attachment A.

On February 26, 2015, the Oversight Board disapproved the sale of the Garage to the City for the appraised value of \$850,000. The appraisal dated January 20, 2015 ("Carneghi Appraisal") was performed by Carneghi and Partners, Inc. ("Carneghi"). Carneghi was one of eight (8) appraisers previously approved by the Oversight Board as part of the process to sell properties for the appraised value directly to Public Entities or Non-Profits. Mr. Chris Carneghi has over 30 years of experience as a real estate appraiser, arbitrator and consultant in real estate and urban economics. He holds the MAI designation from the Appraisal Institute and is licensed as a California Certified General Real Estate appraiser. The Oversight Board directed Successor Agency staff to either obtain another appraisal or commence an open solicitation process for the sale of the Garage.

ANALYSIS

City staff has informed Successor Agency staff that the City still desires to acquire the 330 space Garage for public use. The Garage is centrally located in Downtown San Jose and fulfills a general need for public parking in the Downtown. The Garage specifically serves a full service grocery store located in the same building as the Garage and it also serves various restaurants and retail outlets within a four block area. The City is willing to initiate and fund another appraisal of the Garage.

Successor Agency staff is concerned, based on the Oversight Board's rejection of the Carneghi Appraisal, that the Oversight Board might reject yet another appraisal, thereby delaying even further the disposition of the Garage. Staff therefore requests that the Oversight Board approve the process of obtaining another appraisal of the Garage to establish a market value to allow the City to acquire the Garage and select two (2) members of the Oversight Board as a sub-committee to oversee the appraisal process to ensure that the Oversight Board will accept another appraisal. In order to expedite this process, staff proposes meeting with the sub-committee immediately following the Oversight Board meeting on March 26, 2015.

Staff recommends that a two (2) member sub-committee of the Oversight Board be established, comprised of Oversight Board members or alternates, to oversee the appraisal process. After selection of the sub-committee, Successor Agency and City staff would select an appraiser to re-appraise the Garage from the list of appraisers previously

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approved by the Oversight Board. The selected appraiser would be approved by the sub-committee. The engagement letter to the appraiser would also be reviewed and approved by the sub-committee. The instructions to the appraiser would require that the Garage be appraised at its fair market value as of the date of the appraisal.

Staff will provide the selected appraiser with all relevant information related to the Garage, including revenue and expense information from the operation of the Garage and copies of the prior appraisals. Staff will provide the sub-committee with copies of any and all information provided to the appraiser and any communications between staff and the appraiser. The appraiser will also be instructed to send copies of the initial draft of the appraisal to the sub-committee concurrently with delivery to the City. Staff and the sub-committee members will review the initial draft appraisal and shall coordinate to correct any factual errors in the appraisal. City staff will transmit any such corrections to the appraiser and thereafter the appraiser will finalize the appraisal report. The ultimate objective is to have a final appraisal acceptable to the Oversight Board.

If the new appraisal values the Garage in excess of \$850,000, the City will re-evaluate the financial feasibility of acquiring the Garage at the higher market value. If the City accepts the higher market value, staff would bring the matter forward again for Oversight Board approval. If the new appraisal values the Garage at less than \$850,000, the City is willing to acquire the Garage based on the higher market value of \$850,000 from the Carnegie Appraisal. If the City elects not to purchase the Garage, Successor Agency staff would solicit the Garage in accordance with the Oversight Board approved Disposition Process.

Outstanding Amounts Owed on Garage

Time is of the essence for the Successor Agency in disposing of this asset. Pursuant to the CC&Rs, the Successor Agency, as the owner of the Garage and as a member of the HOA, is responsible for a share of the HOA's common area maintenance fees ("CAM"). The Successor Agency's share of the CAM is currently over \$20,500 per month.

The revenue from the Garage is insufficient to pay all of the monthly CAM charges owed to the HOA and the Successor Agency does not have sufficient funds from the Redevelopment Property Tax Trust Fund to pay the balance of the HOA fees. In September 2013, the HOA and the Successor Agency entered into a Settlement Agreement, wherein the Successor Agency, using funds advanced by the City, paid the outstanding CAM charges owed through June 30, 2013, in the amount of \$248,327 and directed the operator of the Garage to forward all net revenue from the Garage to the HOA to be applied towards the CAM charges. The HOA agreed to accrue any unpaid CAM charges until sale of the Garage at which time all outstanding amounts would be paid. The Settlement Agreement provided that the Garage would be sold on or before June 30, 2014.

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The Successor Agency was unable to sell the Garage until after the Successor Agency's Long Range Property Management Plan ("LRPMP") was approved by the State Department of Finance ("DOF"). DOF approved the LRPMP in September, 2014. The HOA and the Successor Agency amended the Settlement Agreement in October 2014 to extend the date for the sale of the Garage to December 31, 2014. As consideration for the extension, the Successor Agency agreed to pay 5% interest on the unpaid outstanding CAM charges and the HOA's legal fees up to \$25,000.

A statement showing Garage revenues and expenses for calendar years 2013 and 2014 is attached hereto as Attachment B. Staff estimates that the current amount owed to the HOA is approximately \$200,000 and increases on average at about \$7,000 a month. The Garage is also subject to an assessment from the Downtown Property Based Improvement District ("PBID"). The current outstanding assessment owed to the PBID is \$33,827.36.

The amounts owing to the HOA and the PBID will be paid from the sales proceeds of the Garage. The sale of the Garage needs to occur as quickly as possible after the new appraisal is obtained so that the outstanding amounts owed to the HOA and the PBID can be paid and further deterioration of the Successor Agency's equity in the Garage can be stopped.

COORDINATION

This item was coordinated with the City's Department of Transportation and the City Attorney's Office.

A handwritten signature in black ink, appearing to read "D. Duenas", followed by a small flourish or mark.

NORBERTO DUENAS
EXECUTIVE OFFICER

For more information, contact Richard Keit, Managing Director, Successor Agency, at 408-795-1849.

Attachments

**SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF
THE CITY OF SAN JOSE**

MEMORANDUM

TO: OVERSIGHT BOARD	FROM: DEBRA FIGONE EXECUTIVE OFFICER
SUBJECT: SEE BELOW	DATE: JANUARY 4, 2013

SUBJECT: SOLICITATION OF REAL PROPERTY ASSETS RESULTS

RECOMMENDATIONS

It is recommended that the Oversight Board review the results of the solicitation for offers to purchase the certain real property assets of the Successor Agency and adopt a resolution to:

1. Accept the offer to purchase East Santa Clara Street Development Site (193 East Santa Clara Street) from Symphony Development for \$4,250,000.
2. Reject offers to purchase the Hoffman Via Monte parcels (5647 Gallup Drive and 1711 Mesa Drive); and
3. Reject the offer to purchase the Central Place Parking Garage (88 East San Fernando Street).

BACKGROUND

On November 8, 2012, the Oversight Board approved the solicitation of offers to purchase four real property assets of the Successor Agency. These real property assets are:

East Santa Clara Street Development Site (193 East Santa Clara Street);
Hoffman Via Monte parcels (5647 Gallup Drive and 1711 Mesa Drive);
and the Central Place Parking Garage (88 East San Fernando Street).

Successor Agency staff released the solicitation on November 12, 2012, and offers to purchase the various properties were due to the Successor Agency on December 3, 2012.

Although Successor Agency staff recommended minimum bids for each parcel, the Oversight Board directed Successor Agency staff to provide an appraisal or estimate of value for the each of the properties included in the solicitation and reserved the right to reject any offers if the Oversight Board determines that the sale price for any of the solicitation properties is not within a range of fair market value. . As such, Successor Agency staff contracted with Donn Byrne Jr. of Colliers International to provide estimates

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of value for the solicitation properties. Mr. Byrne has over 20 years experience as an appraiser in Santa Clara County and currently holds MAI and ASA certifications. Due to the tight time frame and limited Successor Agency resources, Mr. Byrne was asked to provide restricted appraisals for the properties rather than a full appraisal (see attached). The total cost to the Successor Agency for the appraisals is approximately \$10,000.

On December 21, 2012, the Successor Agency received a letter from the California Department of Finance (DOF) (see attached) objecting to the Oversight Board's action to solicit offers to purchase property and returned the Oversight Board action to the Oversight Board for reconsideration. The DOF stated its position that the Successor Agency cannot dispose of property until DOF issues a finding of completion and approves the long range property management plan.

ANALYSIS

The Successor Agency has received the following offers and based on the information received from the appraiser and the DOF, recommends the following course of action for each property:

East Santa Clara Development Site (193 E. Santa Clara Street):

Appraisal:	\$4,000,000
Minimum Bid:	\$3,500,000
Entity:	Symphony Development
Offer:	\$4,250,000
Entity:	Lauson LLC
Offer:	\$3,810,000
Entity:	Green Valley Corporation
Offer:	\$3,501,000

While the DOF has objected to the disposal of property prior to the approval of the long range management plan, the Purchase and Sale Agreement for all of the parcels provide that should DOF reject the sale of property under the terms of the dissolution legislation the close of escrow shall be extended up to nine (9) months until the Agency is authorized to sell property pursuant to the terms of the dissolution legislation. The Successor Agency recommends affirming the Purchase and Sale Agreement with Symphony Development to capture a fair market price for the property.

Hoffman Via Monte (1171 Mesa Drive):

Appraisal:	\$235,000
Minimum Bid:	\$200,000

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Entity: Alok Damireddy
Offer: \$225,000

Entity: Jennifer Nguyen and Leon Le
Offer: \$210,000

Entity: Emilie Truong
Offer: \$200,100

Successor Agency staff recommends rejecting the offer for the Hoffman Via Monte (1171 Mesa Drive) property for failure to meet the appraised value. Hoffman Via Monte properties will be held by the Successor Agency and included the long range property management plan as properties for disposition.

Hoffman Via Monte (5647 Gallup Drive):

Appraisal: \$250,000
Minimum Bid: \$200,000

Entity: Alok Damireddy
Offer: \$228,000

Entity: Jennifer Nguyen and Leon Le
Offer: \$210,000

Entity: Peter Hoang Nguyen
Offer: \$200,100

Successor Agency staff recommends rejecting the offer for the Hoffman Via Monte (5647 Gallup Drive) property for failure to meet the appraised value. Hoffman Via Monte properties will be held by the Successor Agency and included the long range property management plan as properties for disposition.

Central Place Public Parking Garage (88 E. San Fernando Street):

Appraisal: \$490,000
Minimum Bid: \$300,000

Entity: Next Ventures, LLC
Offer: \$300,000

Successor Agency staff recommends rejection the offer for the Central Place Parking Garage for failure to meet the appraised value. The Central Place Parking Garage will be held by the Successor Agency as well and included in the long range property management plan. The Successor Agency staff will pursue operational changes to the garage in an attempt to mitigate incurring additional liabilities for the non-payment of the 88 Master

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Association monthly dues of \$19,055.89. The Successor Agency stopped paying the Master Association dues in May 2012 due to the lack of parking operations revenue to cover the monthly dues. The Successor Agency is currently in arrears in the amount of \$183,000.

FISCAL IMPACT

The eventual sale of these assets will provide the Successor Agency with additional funds to pay enforceable obligations.


DEBRA FIGONE
EXECUTIVE OFFICER

For more information, contact Richard Keit, Managing Director, Successor Agency, at 408-795-1849

***APPRAISAL OF REAL PROPERTY
IN A RESTRICTED REPORT***

**Existing Condominium Unit Parking Garage Continuing 330 Parking Spaces
88 East San Fernando Street, San Jose
APN: 467-64-001 & -002**

DATE OF VALUE:

December 18, 2012

AT THE REQUEST OF:

San Jose Redevelopment Agency

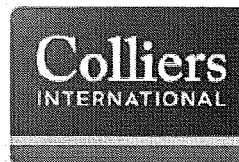
PREPARED BY:

***COLLIERS INTERNATIONAL
Appraisal & Property Tax Division
450 West Santa Clara Street
San Jose, California 95113***

Aerial

Central Place Public Parking Garage – 88 E. San Fernando Street, San Jose





December 18, 2012

Kelly Hyland
Real Estate Manager
San Jose Redevelopment Agency
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San Jose, California 95113

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San Jose, CA 95113
MAIN +1 408 282 3800
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www.colliers.com

RE: REAL PROPERTY APPRAISAL ASSIGNMENT

Existing Condominium Unit Parking Garage Continuing 330 Parking Spaces
88 East San Fernando Street, San Jose
APN: 467-64-001 & -002

Per your request we have prepared a restricted appraisal report for the property identified above. This report is intended to comply with the reporting requirements set forth under Standards Rule 2-2 (c) of the Uniform Standards of Professional Appraisal Practice (USPAP) for a restricted appraisal report. As such, it presents limited discussions of the data, reasoning, and analyses used in the appraisal process to develop our opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in our file. The Addenda contains exhibits used in support of our opinions. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated below. The appraiser is not responsible for the unauthorized use of this report.

This report was prepared in conformity with the requirements of the Code of Ethics and Standards of Professional Practice of the Appraisal Institute of Real Estate Appraisers. It has also been written in accordance with our interpretation of the Regulation CFR Parts 208 and 225 of the Federal Reserve System regulation titled Appraisal Standards for Federally Related Transactions and the Uniform Standards of Professional Appraisal Practice of the Appraisal Standards Board. Our undertaking of this assignment was not conditioned on providing a minimum valuation or a specific valuation.

Purposes and Intended Use of the Appraisal

The purpose of this appraisal is to estimate the as is market value of the fee simple interest in the subject property as of December 18, 2012. The values reported are qualified by certain definitions, limiting conditions, and certifications set forth in the attached report.

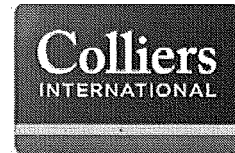
This report has been prepared at the request of and is for the exclusive use of the **San Jose Redevelopment Agency**. The intended use of this appraisal is understood to be for internal valuation purposes. This appraisal may not be used for loan underwriting, loan monitoring, or financing of the sale of the subject property.

Ownership History

The subject property is currently owned by The Redevelopment Agency of the City of San Jose. As of the date of value of this report the subject property was available for sale at a minimum bid price of \$300,000. We are unaware of any ownership transfers of the subject property, other than those previously mentioned, over the past three years.

Property Rights Appraised

Fee Simple Interest



Effective Date of Value

December 18, 2012

Date of Last Property Viewing

December 18, 2012

Definitions of Value and other Pertinent Terms

The following definitions of pertinent terms are taken from the *Dictionary of Real Estate Appraisal*, 5th Edition (2010), published by the *Appraisal Institute*.

Market Value

The most probable price that the specified property interest should sell for in a competitive market after a reasonable exposure time, as of a specified date, in cash, or in terms equivalent to cash, under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, for self-interest, and assuming that neither is under duress.

Market value is described in the Uniform Standards of Professional Appraisal Practice (USPAP) as follows: A type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the definition of the term identified by the appraiser as applicable in an appraisal. (USPAP, 2010-2011 ed.) USPAP also requires that certain items be included in every appraisal report. Among these items, the following are directly related to the definition of market value:

- Identification of the specific property rights to be appraised.
- Statement of the effective date of the value opinion.
- Specification as to whether cash, terms equivalent to cash, or other precisely described financing terms are assumed as the basis of the appraisal.
- If the appraisal is conditioned upon financing or other terms, specification as to whether the financing or terms are at, below, or above market interest rates and/or contain unusual conditions or incentives. The terms of above- or below-market interest rates and/or other special incentives must be clearly set forth; their contribution to, or negative influence on, value must be described and estimated; and the market data supporting the opinion of value must be described and explained.

The following definition of market value is used by agencies that regulate federally insured financial institutions in the United States: The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;
- A reasonable time is allowed for exposure in the open market; • Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (12 C.F.R. Part 34.42(g); 55 *Federal Register* 34696, August 24, 1990, as amended at 57 *Federal Register* 12202, April 9, 1992; 59 *Federal Register* 29499, June 7, 1994)



The International Valuation Standards Council defines *market value* for the purpose of international standards as follows: The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion. (*International Valuation Standards*, 8th ed., 2007)

Market value is the amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of the appraisal, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal. (*Uniform Standards for Federal Land Acquisitions*)

Exposure Time

- The time a property remains on the market.
- The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market.

As Is Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. No hypothetical conditions, assumptions, or qualification concerning the physical or legal aspects of the property are to be observed.

Fee Simple Interest

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Cash Equivalency

An analytical process in which the sale price of a transaction with nonmarket financing or financing with unusual conditions or incentives is converted into a price expressed in terms of cash.

Scope of the Appraisal

In the preparation of this appraisal report we viewed the subject site and improvements. We also viewed the surrounding neighborhood, consulted with city officials regarding zoning and general plan issues and researched the local market concerning demand for similar properties. In an effort to render a reasonable market value estimate information on parking garage sales and parking garage and parking lot rental rates have been gathered and analyzed. The data regarding these transactions was considered in the manner in which it was provided. No information has been included which is not believed to be accurate.

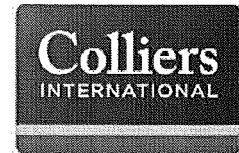
Neighborhood Characteristics

The subject property is bounded by S. San Fernando Street to the north, S. 3rd Street to the east and S. 2nd Street to the west in the downtown section of the city of San Jose, Santa Clara County, California. The boundaries for the neighborhood are defined as follows:

North - E. St. James Street

Space Count	Parking Operator	Facility Name	Address	Days of operation	Phone number	Rate per 15 min.	Rate per hour	Daily rate	Early bird hours	Early bird rate	Evening hours	Evening discount rate	Worked rate during the day	Charged work- ends and holidays	Special event rate	Validations accepted	Monthly parking Unreserved	Monthly Parking Premium / Reserved	Rescheduled Parking Premium / Reserved	Student Parking Jan-May 21	Comments
735	Ampeco	10 Almaden Garage	10 Almaden Blvd	6am - 7pm	209-5184	N/A	\$5.00	\$20.00	N/A	N/A	N/A	N/A	N/A	closed	N/A	N/A	\$135.00	\$240.00	N/A	N/A	
738	Standard	150 S. Montgomery St. Surface Lot	150 S. Montgomery St. 95113	open 24 hours	408 314-8249	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	varies between \$10.00 - \$12.00, \$15.00	N/A	\$30.00	N/A	N/A	N/A	
78	Standard	160 W. Santa Clara Garage	160 W. Santa Clara St 95113	M - F 7am - 7pm	408 298-6630	\$1.25	\$5.00	\$20.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$110.00	N/A	N/A	N/A	
803	Ampeco	225 W. Santa Clara Garage	225 W. Santa Clara St.	6am-12am M-Th, 6am-2am Fri, 10am-2am Sat, 10am-2am Sun	408 293-5184	\$1.25	\$5.00	\$20.00	N/A	N/A	6pm weekdays	\$7.00	\$7.00 per day	open	\$7.00	N/A	\$135.00	\$270.00	N/A	N/A	
57	Ampeco	84 W. Santa Clara St.	84 W. Santa Clara St.	8am - 9pm	408 294-2335	N/A	\$3.75	\$18.00	8am - 9pm	\$10.00	3pm weekdays	\$6.00	N/A	closed	N/A	N/A	\$120.00	N/A	N/A	N/A	
56	Ampeco	85 S. Market Garage	85 S. Market St.	8am - 9pm	408 294-2335	\$1.00	\$4.00	\$20.00	8am - 9pm	\$10.00	N/A	N/A	N/A	closed	N/A	N/A	\$120.00	N/A	N/A	N/A	
1104	Security Office	Adobe Systems Inc Garage	345 Park Avenue	6:30pm-12am M-F, 10:30am-12am S-S	408 536-4444 ext 2	N/A	N/A	N/A	N/A	N/A	6:30pm public parking	\$5.00	\$5.00 per day	open	\$5.00	N/A	N/A	N/A	N/A	N/A	
523	HP Pavilion	Alcatraz Surface Lot	350 Aurora St.	open for arena events	408 287-7070	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	open	\$10.00 - \$20.00	N/A	yes	N/A	N/A	N/A	
45	CSJ	Almaden / Balboa Surface Lot	500 Almaden Blvd	open 24 hours	408 794-1090	N/A	N/A	\$7.00 daily flat rate	N/A	N/A	N/A	N/A	\$7.00 per day	open	event rate varies	N/A	\$75.00	N/A	N/A	N/A	
390	CSJ	Almaden / Woz Surface Lot	282 Almaden Blvd	open 24 hours	408 794-1090	N/A	N/A	\$7.00 daily flat rate	N/A	N/A	N/A	N/A	\$7.00 per day	open	event rate varies	N/A	\$75.00	N/A	N/A	N/A	
1422	HP Pavilion	Arana Lot	Santa Clara St. & 87	open 24 hours	408 592-3122	N/A	N/A	\$10.00 daily flat rate	N/A	N/A	N/A	N/A	\$10.00 per day	open	\$10.00 - \$15.00	N/A	\$50.00	N/A	N/A	N/A	
228	HP Pavilion	Arana Lot D Surface Lot	525 W. Santa Clara St.	open 24 hours	408 287-7070	N/A	N/A	\$5.00 daily flat rate	N/A	N/A	N/A	N/A	\$3.00 daily flat rate	open	during an event \$4.15 for arena seat sale holders	N/A	\$40.00	N/A	N/A	N/A	
71	Asiana	Arzana & 87 Surface Lot	Aurana & 87	open 24 hours	415 724-2888	N/A	N/A	\$5.00 daily flat rate	N/A	N/A	N/A	N/A	\$5.00 daily flat rate	open	event rate varies	N/A	\$30.00	N/A	N/A	N/A	
180	HP Pavilion	Caltrain Lot #A Surface Lot	Santa Clara & Montgomery St.	open 24 hours	408 287-7070	N/A	N/A	\$4.00 daily flat rate	N/A	N/A	N/A	N/A	\$4.00 daily flat rate	open	event rate varies	N/A	N/A	N/A	N/A	N/A	
162	HP Pavilion	Caltrain Lot #B Surface Lot	Santa Clara & Montgomery St.	open 24 hours	408 287-7070	N/A	N/A	\$4.00 daily flat rate	N/A	N/A	N/A	N/A	\$4.00 daily flat rate	open	event rate varies	N/A	N/A	N/A	N/A	N/A	
90	HP Pavilion	Caltrain Lot #C Surface Lot	Santa Clara & Montgomery St.	open 24 hours	408 287-7070	N/A	N/A	\$4.00 daily flat rate	N/A	N/A	N/A	N/A	\$4.00 daily flat rate	open	event rate varies	N/A	N/A	N/A	N/A	N/A	
330	Ampeco	Central Plaza Parking Garage	88 E. San Fernando St.	open 24 hours	408 287-2009	N/A	\$1.00	\$20.00	N/A	N/A	6pm weekdays	\$5.00	\$5.00 per day	open	N/A	N/A	\$100.00	N/A	N/A	N/A	
154	City Park	Central Plaza Surface Lot	143 S. Third St.	open 24 hours	408 998-3445	N/A	N/A	\$7.00 daily flat rate	1st 50 cars	\$5.00	N/A	N/A	\$5.00 - \$7.00 daily flat rate	open	varies \$5.00 - \$30.00	N/A	\$100.00	N/A	N/A	N/A	
374	CSJ	City Hall Garage	200 E. Santa Clara St.	Public access Th 7am - 8pm Friday 7am-5pm	408 794-1090	N/A	\$3.00	\$20.00	N/A	N/A	Garage closes: M - Th 8pm, Friday 6pm	\$1.00/20 min	closed	closed	N/A	N/A	N/A	N/A	N/A	N/A	
1200	Standard	City View Plaza Garage	115 S. Market St.	open 24 hours	408 293-6115	\$1.25	\$5.00	\$25.00	N/A	N/A	after 5pm	\$7.00	\$7.00 per day	open	varies between \$7.00 - \$20.00	N/A	Main level \$165.00 Tower \$300.00	N/A	N/A	N/A	
	Standard	City Center Garage	171 W. Harding St., 95110	public access M - F 6am - 5pm	408 293-0775	\$1.25	\$5.00	\$20.00	before 9:00 am	\$11.00	N/A	N/A	closed	closed	N/A	N/A	\$95.00	N/A	N/A	N/A	
142	City Park	Colonnade Plaza Garage	201 S. Fourth Street	7am - 11pm	408 998-3445	N/A	\$3.00	\$15.00	7am - 10:30 am	\$8.00	6pm weekdays	\$3.00	closed	N/A	\$10.00 - \$15.00	N/A	\$80.00	N/A	N/A	N/A	
589	Commercia	Commonwealth Commerce Garage	333 W. Santa Clara St.	7am - 7:00pm	408 286-6300	N/A	\$0.75	\$18.00	N/A	N/A	open for events only	varies	open for events only	open for events only	\$10.00	N/A	\$90.00 - \$100.00	\$100.00 - \$150.00	N/A	N/A	
80	Corinthian Pkg Serv.	Community Towers Surface Lot	111 N. Market St.	open 24 hours Pkg Attendee hrs 7am-5pm	408 920-3000	\$1.00	\$4.00	\$20.00	before 7:30 am	\$6.00	5pm weekdays	\$6.00	\$6.00 per day	open	\$5.00	N/A	\$100.00	\$125.00	N/A	N/A	
59	Corinthian Pkg Serv.	Community Towers Surface Lot	100 or 175 N. San Pedro St.	open 24 hours Pkg Attendee hrs 7am-5pm	409 920-3000	\$1.00	\$4.00	\$20.00	before 7:30 am	\$6.00	5pm weekdays	\$6.00	\$6.00 per day	open	\$5.00	N/A	\$100.00	\$125.00	N/A	N/A	
1140	CSJ	Convention Center Garage	150 W. San Carlos St.	open 24 hours	408 794-1090	N/A	\$1.00	\$20.00	N/A	N/A	N/A	N/A	N/A	open	\$10.00 - \$25.00	yes	N/A	N/A	N/A	N/A	
	Crown Plaza	Crowne Plaza Hotel Garage	282 Almaden Blvd.	open 24 hours	408 998-0400	N/A	N/A	\$20.00	N/A	N/A	N/A	N/A	\$15.00 per day beginning Friday 9pm - Sun 12am	open	event rate varies	N/A	\$125.00	N/A	N/A	N/A	
400	Ampeco	Ennet & Young Garage	303 Almaden Blvd.	6am-9pm M-Th, 6am-12am Fri, 10am-12am Sat, 10am-2pm Sun	408 283-0366	\$1.25	N/A	\$20.00	6am - 8am	\$8.00	6pm weekdays	\$6.00	\$6.00 per day	open	\$8.00	N/A	\$125.00	\$165.00	N/A	N/A	
200	Fairmont	Fairmont Hotel Garage	170 S. Market St.	open 24 hours	408 998-1900	N/A	\$5.00	\$26.00	N/A	N/A	N/A	N/A	\$5.00/20 min, \$1.50/m add 20 min	open	\$26.00 registered guest, \$13.00 for guest with Hybrid vehicle	N/A	N/A	N/A	N/A	N/A	
560	Ampeco	Fairmont Plaza Garage	50 W. San Fernando St.	open 24 hours	408 283-5068	\$1.25	N/A	\$20.00	N/A	N/A	6pm weekdays	\$6.00	\$6.00 per day	open	\$6.00	accept CSJ valets	\$120.00	\$180.00	N/A	N/A	
	Bay Area Parking	Finn & San Salvador Surface Lot	401 S. First St.	open 24 hours	408 937-8770	N/A	N/A	\$10.00 flat rate through 7pm	N/A	N/A	N/A	N/A	\$10.00	open	up to \$20.00	N/A	N/A	N/A	N/A	N/A	Overnight \$20.00
24	County Lot	Finn & San Salvador Surface Lot	corner of 1st & S. James St.	open 24 hours	408 937-8770	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	open	event rate varies	N/A	N/A	N/A	N/A	N/A	
180	City Park	Fountain Alley Surface Lot	35 S. Second St.	8am-12:30am Sun-Wed, 8am-2:30am Th - Sat	408 998-3445	\$1.00	N/A	\$20.00 up to 12 hrs \$24.00 daily max	before 9am	\$6.00	N/A	N/A	\$1.00 per 15 mins	open	event rate varies	N/A	\$110.00	N/A	N/A	N/A	Premium \$150.00 Reserved \$200
734	CSJ	Fourth & San Fernando Garage	44 S. 4th St.	open 24 hours	408 794-1090	N/A	\$1.00	\$20.00	N/A	N/A	6pm weekdays	\$5.00	\$5.00	open	event rate varies	yes	\$100.00	\$175.00	\$50.00	N/A	

1112	CSJ	Fourth & St. John Garage	50 N. 4th St.	open 24 hours 7:30am-8:30pm M-W 7:30am-11:30pm Th-Fri 6am-6pm Sat-Sun	408 794-1090	N/A	N/A	N/A	N/A	N/A	Free	\$5.00	open	N/A	N/A	N/A	N/A	N/A
82	Victory Parking	Haury Surface Lot	1 S. Market St.	open 24 hours 6am-6pm Sat-Sun	408 298-1730	N/A	\$1.25	\$3.75	\$20.00	N/A	\$6.00	\$6.00 per day	open	N/A	\$100.00	N/A	N/A	N/A
113	CSJ	1280 / First St. Surface Lot	650 S. 1st St.	open 24 hours 6am-11pm M-Th 5pm-2am Sat	408 794-1090	N/A	N/A	N/A	\$5.00 daily flat rate	N/A	N/A	\$5.00 per day	open	N/A	\$30.00	N/A	N/A	N/A
798		Koll Building Garage	60 S. Market St	open 24 hours Mon - Fri 6am - 6pm Sat	408 280-4188	N/A	\$5.00	\$5.00	\$20.00	N/A	\$7.00	N/A	closed Sat - 6pm	N/A	\$125.00	N/A	\$185.00	N/A
1341	Standard	Legacy Alameda Plaza	1 Alameda Blvd.	open 24 hours Market & San Carlos St. (block B)	408 947-1409	N/A	\$1.25	\$3.75	\$17.00	before 9am 5am - 10am	\$7.00	\$7.00 per day	open	N/A	\$110.00	N/A	\$150.00	N/A
120	City Park	Market & San Carlos St. (block B)	298 S. Market St.	open 24 hours	408 998-3445	N/A	\$5.00	\$5.00	\$20.00	N/A	\$10.00	\$1.25 per 15 mins. 5am - 5pm	open	N/A	N/A	N/A	N/A	N/A
40	Bay Area	Market & San Salvador Surface Lot	325 S. Market St.	open 4 hours	408 957-8770	N/A	N/A	N/A	\$10.00 daily flat rate	N/A	\$7.00	\$7.00 per day	open	N/A	N/A	N/A	N/A	N/A
	Market Post Tower	Market Post Tower	55 S. Market St.	closed to the public	408 918-4307	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1393	CSJ	Market San Pedro Garage	45 N. Market St.	open 24 hours	408 794-1090	N/A	\$1.00	\$3.00	\$20.00	N/A	\$4.00	\$5.00	open	yes	\$100.00	Premium \$150. Reserved \$200	N/A	N/A
	Nile Parking	Nile Parking	334 S. 2nd Street	open 24 hours	408 431-4813	N/A	N/A	N/A	\$6.00 daily flat rate	N/A	N/A	\$6.00 daily flat rate	open	N/A	\$80.00	N/A	N/A	N/A
85	Notes Danc	Notes Danc & Carlyle Surface Lot	Corner of Notre Dame & Carlyle St.	open 24 hours	415 771-6374	N/A	N/A	N/A	\$7.00 daily flat rate	N/A	N/A	\$7.00 daily flat rate	open	N/A	N/A	N/A	N/A	N/A
64	Private Lot	Park & Cto	10 S. 3rd St.	open 24 hours	408 338-8765	N/A	N/A	N/A	\$5.00 - 8am - 5pm	N/A	\$5.00	\$5.00 per day	open	N/A	\$100.00	N/A	N/A	N/A
261	Pavilion Garage	Pavilion Garage	150 S. 1st St.	6am - 2:30 am	650 296-5144	N/A	\$1.00	\$3.00	\$15.00	before 10am	\$5.00	\$5.00 daily flat rate	open	yes	\$105.00	N/A	N/A	N/A
1393	Standard	Boulevard Tower	333 W. San Carlos St. 95113	Mon - Fri 6am - 6pm	408 947-1149	N/A	\$1.25	\$3.75	\$18.00	before 9am	\$7.00	\$7.00 per day	open	N/A	\$120.00	N/A	\$200.00	N/A
154	City Park	San Fernando & S. Second St.(block 2)	8 E. San Fernando St.	open 24 hours	408 998-3445	N/A	N/A	N/A	\$10.00 daily flat rate	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
200	Ellion	San Jose Hilltop & Towers Garage	308 Alameda Blvd	open 24 hours	408 287-2100	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
583	Classic Parking	San Jose Water Co. #1	374 W. Santa Clara St.	5:30am - 12:00am	408 483-2416	N/A	N/A	N/A	\$3.50 daily flat rate	N/A	N/A	\$3.50 per day	open	N/A	\$40.00	N/A	N/A	N/A
329	Classic Parking	San Jose Water Co. #2	374 W. Santa Clara St.	N/A	408 483-2416	N/A	N/A	N/A	employee parking only	N/A	N/A	open for events only	N/A	N/A	N/A	N/A	N/A	N/A
70	Classic Parking	San Jose Water Co. #3	374 W. Santa Clara St.	N/A	408 483-2416	N/A	N/A	N/A	N/A	N/A	N/A	open for events only	N/A	N/A	N/A	N/A	N/A	N/A
73	CSJ	San Pedro / Bassett Surface Lot	150 Bassett St.	open 24 hours	408 794-1090	N/A	N/A	N/A	Monthly parking only	N/A	N/A	N/A	monthly	N/A	\$30.00	N/A	N/A	N/A
130	City Park	San Pedro Secure Surface Lot	45 San Pedro St.	open 24 hours	408 998-3445	N/A	N/A	N/A	\$6.00 daily flat rate	N/A	N/A	\$6.00 per day	open	N/A	N/A	N/A	N/A	N/A
506	CSJ	Second & San Carlos Garage	280 S. 2nd St.	open 24 hours	408 794-1090	N/A	\$1.00	\$3.00	\$20.00	N/A	\$5.00	\$5.00	open	event rate varies	\$100.00	Premium \$150. Reserved \$200	\$50.00	\$150.00
130	Standard	Second & St. James Surface Lot	255 N. 2nd St. 95112	M - F 6am - 6pm	408 314-8249	N/A	N/A	N/A	\$5.00 daily flat rate 6am - 6pm	N/A	\$4.00	6am - 6pm FREE	open	N/A	\$75.00	N/A	N/A	N/A
168	Standard	South Hall Surface Lot	455 S. Market St. 95113	M - Sun 6am - 6am	408 314-8249	N/A	N/A	N/A	\$7.00 daily flat rate	N/A	N/A	\$7.00 per day	open	N/A	N/A	N/A	N/A	N



South - E. San Fernando Street
East - S. 7th Street
West - Highway 87

Market Analysis

The following pages include a parking survey for downtown San Jose. We also reviewed the Colliers International 2012 Parking Rate Survey a copy of which is located in the Addenda.

Subject Site Location and Description

The subject property is bounded by S. San Fernando Street to the north, S. 3rd Street to the east and S. 2nd Street to the west in the downtown section of the city of San Jose, Santa Clara County, California. The subject parcels cover 1.328-acres, or 57,848 square feet, designated assessor's parcel numbers (APN) 467-64-001 and -002. This site is rectangular in shape and has approximately 256 feet of frontage along the E. San Fernando Street and 201 feet along S. 2nd and 3rd Streets, is essentially level at finished grade and served by all public utilities. Flood Zone D (FEMA flood map 06085C0234H, map date May 18, 2009 and is not located within a State of California Special Studies Seismic Zone. This subject site is improved with concrete curbs, gutters, and sidewalks.

Improvement Description

According to our personal viewing the subject improvements are a commercial condominium consisting of a three-level, 330-space parking garage reportedly containing 114,402 square feet located underneath *The 88 Residential Tower* which also houses a Safeway. Reportedly this project was built in 2008. The subject improvements were in good condition as of the date of the property viewing. Photographs of the subject property, and street scenes, are in the Addenda.

The reader will note that, as of the date of value of this report, the subject property was encumbered by \$183,693 in past due HOA fees according to the Client, Kelly Hyland at the San Jose Redevelopment Agency. The Client mentioned that a buyer of the subject property would be responsible for payment of these fees.

Assessed Value and Taxes

Because the subject site is owned by the San Jose Redevelopment Agency an assessed value and tax bill are not applicable. In the event that this site is sold to a private interest the following is relevant. Under the provisions in the state of California, real estate is assessed at 100% of market value, as determined by the County Assessor's Office. Under the provisions of Article XIII A of the California Revenue and Taxation Code, real property is assessed based on its market value as of March 1, 1975. Annual increases in the assessed value are limited to 2%, regardless of the rate of inflation. Real property is subject to re-appraisal by the County Assessor's Office to market value upon change of ownership, completion of substantial new construction, or a change in the use of the property. In these cases the subject site may be reassessed to its market value, which is typically set at the sales price in the case of an arms-length transaction. The maximum tax rate cannot exceed 1% of the full cash value of the property, plus any special bonds or fees approved by voters.

As was previously mentioned the subject property was available for sale as of the date of value of this report. Once sold the subject property will be reassessed as mentioned above. In this analysis we used the adjacent properties tax rate in our determination of the property taxes a buyer would be responsible for after they purchase the subject property. The subject parcel is located in tax rate area 17-101 and the 2012-2013 tax rate would be **1.2193%**.

Parcel Map

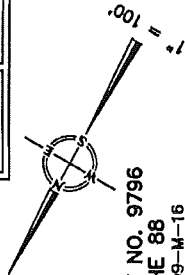
Central Place Public Parking Garage - 88 E. San Fernando Street, San Jose

Description: Santa Clara, CA Assessor Map 467.64 Page: 1 of 4
Order: sc Comment:

OFFICE OF COUNTY ASSESSOR - SANTA CLARA COUNTY, CALIFORNIA

RESIDENTIAL UNITS										CD 20077487									
88 EAST SAN FERNANDO STREET										CD 20077487									
UNIT	FLR.	APN	SITUS	UNIT	FLR.	APN	SITUS	UNIT	FLR.	APN	SITUS	UNIT	FLR.	APN	SITUS	UNIT	FLR.	APN	SITUS
201	2	11	201	803	8	59	803	1207	12	107	1207	1611	16	155	1611	1906	19	183	1906
202	2	12	202	804	8	60	804	1208	12	108	1208	1701	17	156	1701	1907	19	184	1907
203	2	13	203	805	8	61	805	1209	12	109	1209	1702	17	157	1702	1908	19	185	1908
204	2	14	204	806	8	62	806	1210	12	110	1210	1703	17	158	1703	1909	19	186	1909
205	2	15	205	807	8	63	807	1211	12	111	1211	1704	17	159	1704	1910	19	187	1910
206	2	16	206	808	8	64	808	1301	13	112	1301	1705	17	160	1705	1911	19	188	1911
207	2	17	207	809	8	65	809	1302	13	113	1302	1706	17	161	1706	2001	20	189	2001
208	2	18	208	810	8	66	810	1303	13	114	1303	1707	17	162	1707	2002	20	190	2002
301	3	19	301	811	8	67	811	1304	13	115	1304	1708	17	163	1708	2003	20	191	2003
302	3	20	302	901	9	68	901	1305	13	116	1305	1709	17	164	1709	2004	20	192	2004
303	3	21	303	902	9	69	902	1306	13	117	1306	1710	17	165	1710	2005	20	193	2005
304	3	22	304	903	9	70	903	1307	13	118	1307	1711	17	166	1711	2006	20	194	2006
305	3	23	305	904	9	71	904	1308	13	119	1308	1801	18	167	1801	2007	20	195	2007
306	3	24	306	905	9	72	905	1309	13	120	1309	1802	18	168	1802	2008	20	196	2008
307	3	25	307	906	9	73	906	1310	13	121	1310	1803	18	169	1803	2009	20	197	2009
308	3	26	308	907	9	74	907	1311	13	122	1311	1804	18	170	1804	2010	20	198	2010
309	3	27	309	908	9	75	908	1401	14	123	1401	1805	18	171	1805	2011	20	199	2011
310	3	28	310	909	9	76	909	1402	14	124	1402	1806	18	172	1806	2101	21	200	2101
311	3	29	311	910	9	77	910	1403	14	125	1403	1807	18	173	1807	2102	21	201	2102
312	3	30	312	911	9	78	911	1404	14	126	1404	1808	18	174	1808	2103	21	202	2103
313	3	31	313	1001	10	79	1001	1405	14	127	1405	1809	18	175	1809	2104	21	203	2104
314	3	32	314	1002	10	80	1002	1406	14	128	1406	1810	18	176	1810	2201	22	204	2201
315	3	33	315	1003	10	81	1003	1407	14	129	1407	1811	18	177	1811	2202	22	205	2202
316	3	34	316	1004	10	82	1004	1408	14	130	1408	1901	19	178	1901	2203	22	206	2203
317	3	35	317	1005	10	83	1005	1409	14	131	1409	1902	19	179	1902	2204	22	207	2204
318	3	36	318	1006	10	84	1006	1410	14	132	1410	1903	19	180	1903				
319	3	37	319	1007	10	85	1007	1411	14	133	1411	1904	19	181	1904				
320	3	38	320	1008	10	86	1008	1501	15	134	1501	1905	19	182	1905				
321	3	39	321	1009	10	87	1009	1502	15	135	1502								
322	3	40	322	1010	10	88	1010	1503	15	136	1503								
323	3	41	323	1011	10	89	1011	1504	15	137	1504								
324	3	42	324	1101	11	90	1101	1505	15	138	1505								
325	3	43	325	1102	11	91	1102	1506	15	139	1506								
326	3	44	326	1103	11	92	1103	1507	15	140	1507								
327	3	45	327	1104	11	93	1104	1508	15	141	1508								
328	3	46	328	1105	11	94	1105	1509	15	142	1509								
329	3	47	329	1106	11	95	1106	1510	15	143	1510								
330	3	48	330	1107	11	96	1107	1511	15	144	1511								
331	3	49	331	1108	11	97	1108	1601	16	145	1601								
332	3	50	332	1109	11	98	1109	1602	16	146	1602								
333	3	51	333	1110	11	99	1110	1603	16	147	1603								
334	3	52	334	1111	11	100	1111	1604	16	148	1604								
335	3	53	335	1201	12	101	1201	1605	16	149	1605								
336	3	54	336	1202	12	102	1202	1606	16	150	1606								
337	3	55	337	1203	12	103	1203	1607	16	151	1607								
338	3	56	338	1204	12	104	1204	1608	16	152	1608								
339	3	57	339	1205	12	105	1205	1609	16	153	1609								
340	3	58	340	1206	12	106	1206	1610	16	154	1610								

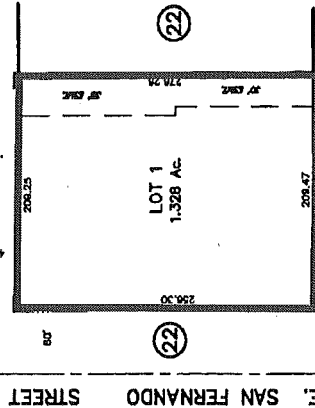
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467
PAGE
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TRACT NO. 9796
THE 88
809-M-16
CD 20077487, 88, 89

NOTE:
FOR PARKING GARAGE-BELOW GROUND LEVEL DETAILS
AND LEVEL 1 COMMERCIAL CONDO DETAILS
SEE PAGE 64A
FOR LEVEL 2 THRU 5 CONDO AND PARKING DETAILS
SEE PAGE 64B
FOR LEVELS 6 THRU 22 CONDO DETAILS
SEE PAGE 64C

S. THIRD STREET



S. SECOND STREET

LAWRENCE E. STONE - ASSESSOR
Calculated map for assessment purposes only
Compiled under R. & T. Code, Sec. 327,
Effective Roll Year 2008-2010

REDEVELOPMENT AGENCY OF
THE CITY OF SAN JOSE

PARKING GARAGE CD 20077489			
UNIT	FLR.	APN	SITUS
1	P1	1	XXXXXX
2	P2,P3	2	XXXXXX

COMMERCIAL UNITS CD 20077488			
UNIT	FLR.	APN	SITUS
89	1	3	100 S. SECOND ST.
78	1	4	100 S. SECOND ST.
79	1	5	100 S. SECOND ST.
82	1	6	100 S. SECOND ST.
89	1	7	XXXXXX
96	1	8	96 E. SAN FERNANDO ST.
99	1	9	XXXXXX
100	1	10	100 S. SECOND ST.



Zoning: DC or Downtown Commercial

Highest and Best Use

If Vacant: Hold for future residential and/or retail development to the highest possible density once such a use is supportable in the market

As Improved: Current use

Exposure Time: 6 to 9 months

Valuation Process

In this appraisal we used the sales comparison and income capitalization approaches to develop our market value estimate. The value estimates indicated by these approaches are then reconciled into a final value conclusion. In the reconciliation, the contribution of each approach is considered with regard to the type of property being appraised, the adequacy and reliability of the data analyzed, and the actions of typical users and investors in the present real estate market.

Because the subject property consists of an existing subterranean parking garage underneath The 88 Residential Tower in downtown San Jose we concluded that the cost approach valuation technique was not appropriate. The garage was constructed in concert with The 88 Residential Tower and is not a free-standing structure. Further, it is our opinion that buyers do not typically rely on this method when acquiring income-producing property.

Sales Comparison Approach

The Sales Comparison Approach is based on a comparison of the subject property to similar, recently sold properties in the surrounding or competing area. Inherent in this approach is the principle of substitution, which holds that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming no costly delay is encountered in making the substitution.

We researched recent consummated sales of parking garages considered comparable to and competitive with the subject property and relevant to the valuation of the subject property. The most widely-used and market-oriented unit of comparison for properties such as the subject is the sales price per parking space. All comparable sales were analyzed on this basis. The following pages include a summary of the improved sales used in this analysis and a map showing their proximity to the subject property. Photographs of each comparable parking garage sale are located in the Addenda.

Improved Sale Adjustments

The sales were analyzed on a price per parking space basis. The comparable sales must first be adjusted before a unit comparison is made. The comparable sales were first adjusted for property rights conveyed, conditions of sale, financing, market conditions, locational attributes (exposure, access, etc.), number of parking spaces and improvement age quality and condition. A Parking Garage Sale Adjustment Chart is provided on the following page.

Net Operating Income Per Parking Space

In order to adjust the Parking Garage Sale Comparables to the subject property we concluded the net operating income per parking space for the subject parking garage condominium, calculated in the income approach section of this report, to equal \$52,003, or **\$158** per parking space per year. The table on the

SUMMARY OF COMPARABLE PARKING GARAGE SALES

Comp. No.	Location/APN	Date Sold/ Doc #	Grantor/Grantee	Land Area/ Gross Building Area/ Parking Spaces	Sale Price/ Price/Bldg SF/ Price/Parking Space	Year Built/ # of Levels/ Average Area/Space	OAR NOI/SF NOI/Space
L-1	1625 Powell Street, San Francisco Block: 0118 Lot: 005	May-11 191563	GRT Investments LLC/ North East Medical Services	0.18 Acres 8,518 SF 76 Spaces	\$ 2,100,000 \$ 246.54 \$ 27,632	1948 2 112 SF/Space	6.58% \$4.12 \$1,819
L-2	490 Post Street, San Francisco Block: 0296 Lot: 015	Jun-11 200803	33 Grant LLC/ 490-Tanzanite LLC	0.98 Acres 42,539 SF 218 Spaces	\$ 8,100,000 \$ 190.41 \$ 37,156	1925 3 195 SF/Space	7.41% \$4.12 \$2,752
L-3	Museum Parc Parking Garage 300 3rd Street, San Francisco Block: 3751 Lot: 175	Feb-12 352100	Shirley L. Nason Greenwood, et al/ UGP - Museum Parc, LLC	0.41 Acres 117,961 SF 353 Spaces	\$ 12,750,000 \$ 108.09 \$ 36,119	1990 3 334 SF/Space	5.58% \$6.04 \$2,017
Subject	Central Place Public Parking Garage 88 East San Fernando Street, San Jose 467-64-001 & -002		Redevelopment Agency of San Jose	1.328 Acres 114,402 SF 330 Spaces		2008 3 347 SF/Space	\$158

Parking Garage Sale Comps

Central Place Public Parking Garage – 88 E. San Fernando Street, San Jose

Colliers
INTERNATIONAL



PARKING GARAGE SALE ADJUSTMENT CHART

Element	Subject	Sale 1	Sale 2	Sale 3
Sales Price		\$ 2,100,000	\$ 8,100,000	\$ 12,750,000
Parking Spaces	330	76	218	353
<i>Sales Price/Parking Space</i>		\$ 27,632	\$ 37,156	\$ 36,119
Net Operating Income/Parking Space	\$158	\$1,819	\$2,752	\$2,017
NOI/SF MULTIPLIER		9%	6%	8%
ADJUSTED PRICE/SF		\$ 2,394	\$ 2,127	\$ 2,822
PROPERTY RIGHTS CONVEYED		Fee Simple	Fee Simple	Fee Simple
Adjustment		None	None	None
FINANCING		All Cash	All Cash	All Cash
Adjustment		None	None	None
CONDITIONS OF SALE		Arm's Length	Arm's Length	Arm's Length
Adjustment		None	None	None
MARKET CONDITIONS	Dec-12	May-11	Jun-11	Feb-12
Adjustment		0%	0%	0%
ADJUSTED SALE PRICE/UNIT		\$ 2,394	\$ 2,127	\$ 2,822
LOCATIONAL ATTRIBUTES	Average	Superior	Superior	Superior
Adjustment		-20%	-20%	-20%
NUMBER OF SPACES	330	76	218	353
Adjustment		-5%	0%	0%
IMPROVEMENT AGE, QUALITY & CONDITION	Average	Inferior	Inferior	Similar
Adjustment		10%	10%	0%
OVERALL QUANTITATIVE ADJUSTMENT		-15.0%	-10.0%	-20.0%
ADJUSTED SALE PRICE/UNIT		\$ 2,035	\$ 1,915	\$ 2,257



following page shows the net operating income per parking space for each sale comparable and the resulting adjusted price per parking space.

The reader will note that the net operating income adjustment is not a duplication of any of the other adjustments contained in the Parking Garage Sale Adjustment Charts. It is our professional opinion that just relying on the net operating income per parking space multiplier to adjust the Parking Garage Sale Comparables would not accurately reflect the market value of the subject parking garage. Therefore we concluded that further adjustments contained in the Parking Garage Sale Adjustment chart are necessary and applicable.

Conclusion

The current market value of the subject has been considered by analyzing the most directly comparable parking garage sales on the basis of the value per parking space. The sales produce an adjusted value range from **\$1,915** to **\$2,257** per parking space. On the basis of the aforementioned indicated range of value the indicated value of the subject property using the sales comparison approach is **\$2,050** per parking space.

As was previously mentioned in this report a buyer of the subject property would be responsible for reimbursement of **\$183,693** in past due HOA fees. Therefore we deducted these fees from our market value conclusion.

The market value of the fee simple interest in the subject property, via the sales comparison approach, is calculated and concluded as follows:

SALES COMPARISON APPROACH VALUE CONCLUSION		
Number of Parking Spaces	Value/Parking Space	Total Value
330 Spaces	\$2,050	\$676,500
Less: 88 Residential Association Past Due HOA Fees		(\$183,693)
<i>Market Value Conclusion</i>		\$492,807
<i>Rounded To:</i>		<i>\$490,000</i>

Income Approach

The income approach is based on the principle that a property's value is determined by its anticipated economic benefits. Income capitalization is the method of converting the anticipated economic benefits of owning property into a value estimate. In order to value the anticipated economic benefits of a particular property, potential income and expenses must be estimated, and the most appropriate capitalization method must be selected to calculate the net operating income.

Property investors, brokers, and developers state that direct capitalization is the most widely used income approach method by investors when analyzing properties similar to the subject and, therefore, was the only Income Approach method used to value the subject property.

Estimate of Potential Rental Income

As part of this appraisal assignment we conducted a survey of parking lots and garages in the downtown San Jose submarket and concluded that the parking rates charged by the subject property owner, as of the date of value of this report, were at market. We reviewed historical revenue for the subject property for 2011 and

HISTORICAL AND PROJECTED EXPENSES

Central Place Public Parking Garage

<i>Expense Category</i>	<i>2011</i>	<i>As of September 30, 2012</i>	<i>2012 Annualized</i>	<i>Average</i>	<i>Estimate</i>
Management	\$ 194,990	\$ 152,604	\$ 203,472	\$ 199,231	\$ 200,000
Insurance	\$ 7,308	\$ 5,481	\$ 7,308	\$ 7,308	\$ 7,350
Materials & Supplies	\$ 2,803	\$ 4,047	\$ 5,396	\$ 4,100	\$ 4,000
Taxes & Licenses	\$ 169	\$ 260	\$ 347	\$ 258	\$ 250
Repairs & Maintenance	\$ 6,572	\$ 9,901	\$ 13,201	\$ 9,887	\$ 10,000
Telecommunications	\$ 4,788	\$ 4,519	\$ 6,025	\$ 5,407	\$ 5,000
Laundry & Uniforms	\$ 1,356	\$ 735	\$ 980	\$ 1,168	\$ 1,200
Outside Services	\$ 37,150	\$ 5,320	\$ 7,093	\$ 22,122	\$ 15,000
Office Expenses	\$ 1,411	\$ 1,598	\$ 2,131	\$ 1,771	\$ 1,750
Miscellaneous Expenses	\$ 27,059	\$ 25,564	\$ 25,564	\$ 26,312	\$ 26,500
HOA Fees	\$ 211,323	\$ 222,856	\$ 222,856	\$ 217,090	\$ 228,081
Real Estate Taxes	\$ -	\$ -	\$ -	\$ -	\$ 8,182
Reserves	\$ -	\$ -	\$ -	\$ -	\$ 6,600
Total Expenses	\$ 494,929	\$ 432,885	\$ 404,373	\$ 494,651	\$ 513,912

Average: Consists of 2011 actual and 2012 annualized figures.

HOA Fee estimate is based on information supplied by the Client as to the actual 2012 and future 2013 figures.

We used \$30.00 per parking space per year for reserves for this analysis.

Real estate taxes estimate were adjusted to reflect our market value conclusion using the current tax rate for property in downtown San Jose.

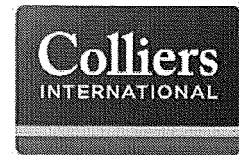
HISTORICAL PROPERTY REVENUE

Central Place Public Parking Garage

<i>Revenue Category</i>	<i>2011</i>	<i>As of September 30, 2012</i>	<i>2012 Annualized</i>	<i>2010-2012 Average</i>	<i>Estimate</i>
Monthly Parking	\$ 92,750	\$ 119,580	\$ 159,440	\$ 126,095	\$ 120,000
Safeway Validation Program Recession	\$ -	\$ -	\$ -	\$ -	\$ 235,200
Transient Parking	\$ 186,700	\$ 177,465	\$ 236,620	\$ 211,660	\$ 200,000
Validation Books	\$ 20,400	\$ 15,614	\$ 20,819	\$ 20,609	\$ 20,000
Key & Deposit Refund	\$ 140	\$ 610	\$ 813	\$ 477	\$ 500
Direct Miscellaneous Income	\$ 26,732	\$ 14,982	\$ 19,976	\$ 23,354	\$ 20,000
Total Income	\$ 326,722	\$ 313,269	\$ 437,668	\$ 382,195	\$ 595,700

Average: Consists of 2011 actual and 2012 annualized figures.

The Safeway Validation Program Recession: The client's parking operator has estimated the lost parking revenue due to this program to equal \$28,000 per month. We assumed in our analysis a 70% retention of the historical parking customers after recession of this program in our analysis.



through September 2012. A copy of this document is retained in our file. The chart on the preceding page shows historical revenue for the subject property and our estimates for this analysis.

Safeway Validation Program Recession

As of the date of value of this report the subject property owner has an agreement with the Safeway located in The 88 Residential Tower that Safeway customers have free parking in the subject garage for up to two hours. According to the Client if the subject property is sold this validation program can be rescinded by the new property owner. Since an appraisal assumes the sale of the subject property we assumed a new owner of the subject property would rescind this program. According to information supplied by the Client their parking operator has calculated that the achievable additional revenue associated with the rescission of this program is **\$28,000** per month, rounded. We used this figure in our analysis and assumed **70%** retention of the historical parking customers after recession of this program.

Vacancy and Collection Loss

We concluded **5%** of potential gross income for vacancy and collection loss is appropriate for the subject.

Operating Expenses

We concluded that the subject property has been properly managed historically and, therefore, the operating expenses we reviewed for the subject property reflect typically operating expense for comparable parking garages in the downtown San Jose submarket. We reviewed historical operating expenses for the subject property for 2011 and through September 2012. A copy of this document is retained in our file. The chart on the preceding page shows historical operating expenses for the subject property and our estimates for this analysis. Not included in the subject historical operating expenses are real estate taxes, because the San Jose Redevelopment Agency does not pay real estate taxes and reserves for replacement. These operating expenses are included in our estimate and discussed below.

Property Taxes and Assessments

We re-calculated real estate taxes assuming the property sold, which results in higher taxes. Real estate taxes are based upon our estimated market value for the subject property in the income approach multiplied by the tax rate of **1.2193** per \$100 of value.

Reserves for Replacement

We concluded an appropriate amount for reserves for replacement to equal **\$20** per parking space.

Net Income Capitalization

The comparable improved sales selected for this analysis provided a range of capitalization rates from **5.58%** to **7.41%** and are summarized in the Sales Comparison Approach. We also reviewed the 3rd quarter of 2012 PwC Real Estate Investor Survey. This survey does not directly address parking garage capitalization rates so we focused on the national net leased property investors interviewed which produced a "going-in" overall capitalization rate range from 6.0% to 8.75% with an average of **7.44%**. This was a 4 basis point increase from the 2nd quarter of 2012, a 69 basis point decrease from the 3rd quarter of 2011 and a 144 basis point decrease from the 3rd quarter of 2010.

Overall Capitalization Rate Conclusion

Based on the preceding capitalization rate discussion we concluded a market capitalization rate for the subject to be **7.75%**.

DIRECT CAPITALIZATION SUMMARY

Central Place Public Parking Garage

Annual Potential Rental Income

330 Parking Spaces

Monthly Parking	\$364 /Space	\$ 120,000
Safeway Validation Program Recessic	\$713 /Space	\$ 235,200
Transient Parking	\$606 /Space	\$ 200,000
Validation Books	\$61 /Space	\$ 20,000
Key & Deposit Refund	\$2 /Space	\$ 500
Direct Miscellaneous Income	\$61 /Space	\$ 20,000

Total Potential Gross Income (PGI) \$1,805 /Space \$ 595,700

Minus: Vacancy & Collection Loss @ 5% of PGI \$ (29,785)

Effective Gross Income (EGI) \$1,715 /Space \$ 565,915

Minus: Operating Expenses

Management	\$606 /Space	\$ 200,000
Insurance	\$22 /Space	\$ 7,350
Materials & Supplies	\$12 /Space	\$ 4,000
Taxes & Licenses	\$1 /Space	\$ 250
Repairs & Maintenance	\$30 /Space	\$ 10,000
Telecommunications	\$15 /Space	\$ 5,000
Laundry & Uniforms	\$4 /Space	\$ 1,200
Outside Services	\$45 /Space	\$ 15,000
Office Expenses	\$5 /Space	\$ 1,750
Miscellaneous Expenses	\$80 /Space	\$ 26,500
HOA Fees	\$691 /Space	\$ 228,081
Real Estate Taxes	1.2193%	\$ 8,182
Reserves	\$20 /Space	\$ 6,600

Total Operating Expenses: \$1,557 /Space \$ (513,912)

Net Operating Income \$158 /Space \$ 52,003

Capitalization Rate: 7.75%

Unencumbered Fee Simple Market Value Conclusion: \$ 671,004

Less: 88 Residential Association Past Due HOA Fees \$ (183,693)

As Is Fee Simple Market Value Conclusion: \$ 487,311

Rounded: \$ 490,000



As was previously mentioned in this report a buyer of the subject property would be responsible for reimbursement of \$183,693 in past due HOA fees. Therefore we deducted these fees from our market value conclusion.

The as is market value of the fee simple interest in the subject property via the direct capitalization method is calculated and concluded on the chart on the following page.

Reconciliation of As Is Value Conclusions

The as is value conclusions indicated by the approaches to value used in our analysis follow:

Sales Comparison Approach	\$490,000
Income Approach	\$490,000

Based on the preceding analysis, it is our opinion that the as is market value of the fee simple interest in the subject property, as of December 4, 2012, was:

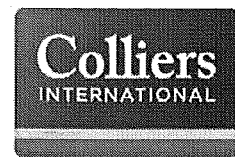
FOUR HUNDRED NINETY THOUSAND DOLLARS
\$490,000

Respectfully submitted,
COLLIERS INTERNATIONAL
Appraisal & Property Tax Division

Donn H. Byrne, Jr., MAI, MRICS, ASA
California Certified General Real Estate Appraiser
No. AG024033

COLLIERS INTERNATIONAL
Appraisal & Property Tax Division

Joel C. Yungen
California Certified General Real Estate Appraiser
No. AG044779



ADDENDA

Preliminary Title Report
Subject Property Listing Brochure
Subject Property Photographs
Subject Property Zoning Requirements
Parking Garage Sale Comparable Photographs
Market Report
Assumptions and Limiting Conditions
Certification of Appraisal
Qualifications of Appraisers
Certificate of License History

DRAFT



**First American Title Insurance Company
National Commercial Services**

1737 North First Street, Suite 500

San Jose, CA 95112

Kelly Hyland
San Jose Redevelopment Agency
200 East Santa Clara Street, 14th Floor
San Jose, CA 95113
Phone: (408)795-1893

Escrow Officer: Dian Blair
Phone: (408)451-7828
Email: dblair@firstam.com
Property: 88 East San Fernando Street, San Jose, CA

PRELIMINARY REPORT

In response to the above referenced application for a policy of title insurance, this company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Exhibit A attached. *The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties.* Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Exhibit A. Copies of the policy forms should be read. They are available from the office which issued this report.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit A of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

Dated as of October 31, 2012 at 7:30 A.M.

The form of Policy of title insurance contemplated by this report is:

ALTA Loan Policy 1056.6 (6-17-06)

ALTA Extended Owner's Policy 1402.06 (6-17-06)

A specific request should be made if another form or additional coverage is desired.

Title to said estate or interest at the date hereof is vested in:

The Redevelopment Agency of The City of San Jose

The estate or interest in the land hereinafter described or referred to covered by this Report is:

Fee Simple as to Parcels 1 and 2, an easement as to Parcel 3.

The Land referred to herein is described as follows:

(See attached Legal Description)

At the date hereof exceptions to coverage in addition to the printed Exceptions and Exclusions in said policy form would be as follows:

1. General and special taxes and assessments for the fiscal year 2012-2013 are exempt. If the exempt status is terminated an additional tax may be levied. A.P. Nos.: 467-64-001 and 467-64-002.
2. The lien of defaulted taxes for the fiscal year 2012-2013, and any subsequent delinquencies.

Tax Rate Area:	17101
A. P. No.:	467-64-002
Amount to redeem:	\$58,073.20
Valid through:	November 30, 2012
Amount to redeem:	\$58,640.20
Valid through:	December 31, 2012

The amount(s) must be verified prior to close of escrow.

3. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.
4. The lien of special tax assessed pursuant to Chapter 2.5 commencing with Section 53311 of the California Government Code for Downtown San Jose Property-Based Business Improvement

District, as disclosed by Notice of Special Tax Lien recorded October 08, 2010 as Instrument No. 20907958 of Official Records.

5. The lien of special tax assessed pursuant to Chapter 2.5 commencing with Section 53311 of the California Government Code for Downtown San Jose Property-Based Business Improvement District, as disclosed by Notice of Special Tax Lien recorded October 04, 2011 as Instrument No. 21347251 of Official Records.
6. The lien of special tax assessed pursuant to Chapter 2.5 commencing with Section 53311 of the California Government Code for Community Facilities District No. Downtown San Jose Property-Based Business Improvement District, as disclosed by Notice of Special Tax Lien recorded October 03, 2012 as Instrument No. 21885646 of Official Records.
7. An easement shown or dedicated on the Parcel Map recorded September 21, 2005 and on file in Book 791, Pages 45 and 46, of Maps.
For: Pedestrian and vehicular access, public ingress egress and incidental purposes.
8. The terms and provisions contained in the document entitled "Grant Deed" recorded September 29, 2005 as Instrument No. 18600683 of Official Records.
9. Covenants, conditions, restrictions, easements, assessments, liens, charges, terms and provisions in the document recorded December 31, 2008 as Instrument No. 20081186 of Official Records, which provide that a violation thereof shall not defeat or render invalid the lien of any first mortgage or deed of trust made in good faith and for value, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, marital status, ancestry, source of income or disability, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.
10. The terms, provisions and easement(s) contained in the document entitled "Parking Agreement, Easement and Declaration of Covenants for Block 3 Phase 1 Parking Structure" recorded September 29, 2005 as Instrument No. 18600685 of Official Records.

Document(s) declaring modifications thereof recorded August 19, 2009 as Instrument No. 20404983 of Official Records.
11. The terms, provisions and easement(s) contained in the document entitled "Central Place Easement Agreement" recorded September 29, 2005 as Instrument No. 18600687 of Official Records.
12. The terms and provisions contained in the document entitled "Agreement Regarding Additional Real Property Construction" recorded September 29, 2005 as Instrument No. 18600688 of Official Records.
13. An easement for avigation and incidental purposes, recorded February 15, 2006 as Instrument No. 188092285 of Official Records.
In Favor of: The City of San Jose
Affects: A horizontal plane extending over and above said property at an elevation of 368 feet above mean sea level (AMSL)

14. An easement shown or dedicated on the map of Tract No. 9796 recorded November 28, 2006 and on file in Book 809, Pages 16-17, of Maps.
For: Private storm drain and incidental purposes.

15. TERMS AND CONDITIONS of that certain Permit
File No.: HA04-038-03
Disclosed By: Notice of Granting of a Permit
Recorded: October 23, 2007 as Instrument No. 19627543, Official Records

Reference is hereby made to the record for particulars.

16. The rights, if any, of a city, public utility or special district, pursuant to Section 8345 et seq. of the California Streets and Highways Code, to preserve a public easement in Southwest corner of Third Street and San Fernando as the same was vacated by the document recorded June 09, 2008 as Instrument No. 19879367 of Official Records.

A document entitled "Resolution No. 74392 Summarily Vacates a Public Right-of-Way and a Public Easement at Third Street and San Fernando Street" recorded July 28, 2010 as Instrument No. 20794784 of Official Records.

17. A document entitled "Garage Condominium Plan" recorded December 26, 2008 as Instrument No. 20077489 of Official Records.

18. Covenants, conditions, restrictions, easements, assessments, liens, charges, terms and provisions in the document recorded December 31, 2008 as Instrument No. 20081183 of Official Records, which provide that a violation thereof shall not defeat or render invalid the lien of any first mortgage or deed of trust made in good faith and for value, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, marital status, ancestry, source of income or disability, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

Document(s) declaring modifications thereof recorded April 09, 2009 as Instrument No. 20204551 of Official Records.

19. Approval from the Company's Underwriting Department must be obtained for matters arising under or related to ABx1 26 by the State of California.
20. Any facts, rights, interests or claims which would be disclosed by a correct ALTA/ACSM survey.
21. Rights of parties in possession.

INFORMATIONAL NOTES

1. According to the latest available equalized assessment roll in the office of the county tax assessor, there is located on the land a Garage known as 88 East San Fernando Street, San Jose, California.
2. According to the public records, there has been no conveyance of the land within a period of twenty-four months prior to the date of this report, except as follows:

None
3. If this preliminary report/commitment was prepared based upon an application for a policy of title insurance that identified land by street address or assessor's parcel number only, it is the responsibility of the applicant to determine whether the land referred to herein is in fact the land that is to be described in the policy or policies to be issued.
4. Should this report be used to facilitate your transaction, we must be provided with the following prior to the issuance of the policy:
 - A. WITH RESPECT TO A CORPORATION:
 - a. A certificate of good standing of recent date issued by the Secretary of State of the corporation's state of domicile.
 - b. A certificate copy of a resolution of the Board of Directors authorizing the contemplated transaction and designating which corporate officers shall have the power to execute on behalf of the corporation.
 - c. Requirements which the Company may impose following its review of the above material and other information which the Company may require.
 - B. WITH RESPECT TO A CALIFORNIA LIMITED PARTNERSHIP:
 - a. A certified copy of the certificate of limited partnership (form LP-1) and any amendments thereto (form LP-2) to be recorded in the public records;
 - b. A full copy of the partnership agreement and any amendments;
 - c. Satisfactory evidence of the consent of a majority in interest of the limited partners to the contemplated transaction;
 - d. Requirements which the Company may impose following its review of the above material and other information which the Company may require.
 - C. WITH RESPECT TO A FOREIGN LIMITED PARTNERSHIP:

- a. A certified copy of the application for registration, foreign limited partnership (form LP-5) and any amendments thereto (form LP-6) to be recorded in the public records;
- b. A full copy of the partnership agreement and any amendment;
- c. Satisfactory evidence of the consent of a majority in interest of the limited partners to the contemplated transaction;
- d. Requirements which the Company may impose following its review of the above material and other information which the Company may require.

D. WITH RESPECT TO A GENERAL PARTNERSHIP:

- a. A certified copy of a statement of partnership authority pursuant to Section 16303 of the California Corporation Code (form GP-I), executed by at least two partners, and a certified copy of any amendments to such statement (form GP-7), to be recorded in the public records;
- b. A full copy of the partnership agreement and any amendments;
- c. Requirements which the Company may impose following its review of the above material required herein and other information which the Company may require.

E. WITH RESPECT TO A LIMITED LIABILITY COMPANY:

- a. A copy of its operating agreement and any amendments thereto;
- b. If it is a California limited liability company, a certified copy of its articles of organization (LLC-1) and any certificate of correction (LLC-11), certificate of amendment (LLC-2), or restatement of articles of organization (LLC-10) to be recorded in the public records;
- c. If it is a foreign limited liability company, a certified copy of its application for registration (LLC-5) to be recorded in the public records;
- d. With respect to any deed, deed of trust, lease, subordination agreement or other document or instrument executed by such limited liability company and presented for recordation by the Company or upon which the Company is asked to rely, such document or instrument must be executed in accordance with one of the following, as appropriate:
 - (i) If the limited liability company properly operates through officers appointed or elected pursuant to the terms of a written operating agreement, such documents must be executed by at least two duly elected or appointed officers, as follows: the chairman of the board, the president or any vice president, and any secretary, assistant secretary, the chief financial officer or any assistant treasurer;
 - (ii) If the limited liability company properly operates through a manager or managers identified in the articles of organization and/or duly elected pursuant to the terms of a written operating agreement, such document must be executed by at least two such managers or by one manager if the limited liability company properly operates

with the existence of only one manager.

- e. Requirements which the Company may impose following its review of the above material and other information which the Company may require.

F. WITH RESPECT TO A TRUST:

- a. A certification pursuant to Section 18100.5 of the California Probate Code in a form satisfactory to the Company.
- b. Copies of those excerpts from the original trust documents and amendments thereto which designate the trustee and confer upon the trustee the power to act in the pending transaction.
- c. Other requirements which the Company may impose following its review of the material require herein and other information which the Company may require.

G. WITH RESPECT TO INDIVIDUALS:

- a. A statement of information.

The map attached, if any, may or may not be a survey of the land depicted hereon. First American Title Insurance Company expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.

LEGAL DESCRIPTION

Real property in the City of San Jose, County of Santa Clara, State of California, described as follows:

PARCEL NO. 1:

GARAGE UNIT 1 AND GARAGE UNIT 2 (COLLECTIVELY, THE "UNITS") AS SHOWN AND DESCRIBED IN THE GARAGE CONDOMINIUM PLAN (TOGETHER WITH ANY AMENDMENTS THERETO, COLLECTIVELY, THE "PLAN"), WHICH PLAN WAS RECORDED ON DECEMBER 26, 2008, AS INSTRUMENT NO. 20077849, OFFICIAL RECORDS OF SANTA CLARA COUNTY ("OFFICIAL RECORDS") FOR A PORTION OF LOT 1 OF TRACT NO. 9796, AS SHOWN ON A SUBDIVISION MAP ("MAP"), RECORDED IN BOOK 809 AT PAGES 16 AND 17, OF MAPS, IN THE OFFICE OF THE SANTA CLARA RECORDER.

PARCEL NO. 2:

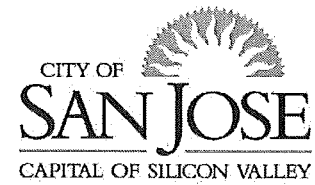
FEE SIMPLE INTEREST IN AND TO THE GARAGE COMMON AREA DESCRIBED IN THE PLAN; PROVIDED HOWEVER, THAT IF THE UNITS ARE TRANSFERRED IN THE FUTURE TO TWO (2) DIFFERENT PARTIES, EACH PARTY SHALL HAVE AN UNDIVIDED ONE-HALF (1/2) FEE SIMPLE INTEREST AS TENANTS IN COMMON IN AND TO THE GARAGE COMMON AREA.

PARCEL NO. 3:

NONEXCLUSIVE EASEMENTS FOR ACCESS, USE, ENJOYMENT, DRAINAGE, ENCROACHMENT, SUPPORT, MAINTENANCE, REPAIRS AND FOR OTHER PURPOSES, ALL AS DESCRIBED OR DEPICTED IN THE MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AND RESERVATION OF EASEMENTS FOR THE 88, A MIXED USE COMMUNITY, RECORDED ON DECEMBER 31, 2008 AS INSTRUMENT NO. 20081183 OF OFFICIAL RECORDS, THE PLAN AND THE MAP.

APN(S): 467-64-001 and 467-64-002

Public Parking Garage For Sale



Redevelopment Agency

88 East San Fernando Street, San Jose Central Place Public Parking Garage



Features:

- Subterranean, Three level, 330-space parking garage
- Located under The 88 Residential High-Rise Condo Building
- Safeway Market located above garage
- In the heart of downtown San Jose

Contact:

Kelly Hyland
Real Estate Manager
408-795-1839
Kelly.hyland@sanjoseca.gov

88 East San Fernando Street

467-64-001,002

Site Detail

Site Description:

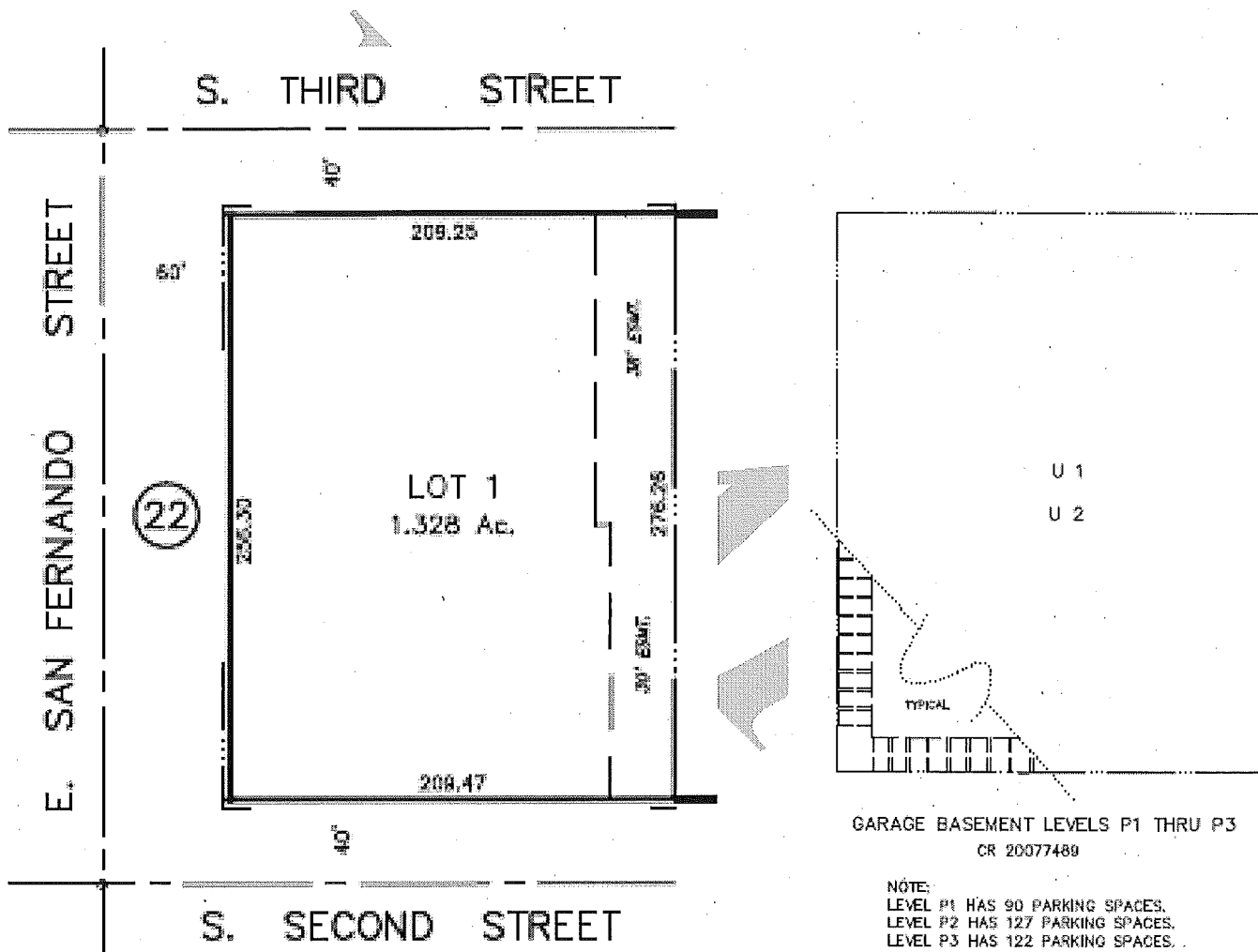
- 114,402 square foot condominium unit located below grade in The 88 Residential Building.
- 330 Space Public Parking Garage
- Property is subject to the 88 Master Homeowners Association (HOA) and supporting dues.
- The Agency is currently in arrears on the HOA dues and will require the buyer to pay outstanding HOA dues balance at close of escrow in addition to purchase price.
- Garage currently provides 2 hour validation for Safeway customers. However, upon sale of the garage, the buyer is not required to participate in any validation programs.
- Garage does not provide any parking for the 88 Residential units.



88 East San Fernando Street

467-64-001,002

APN map



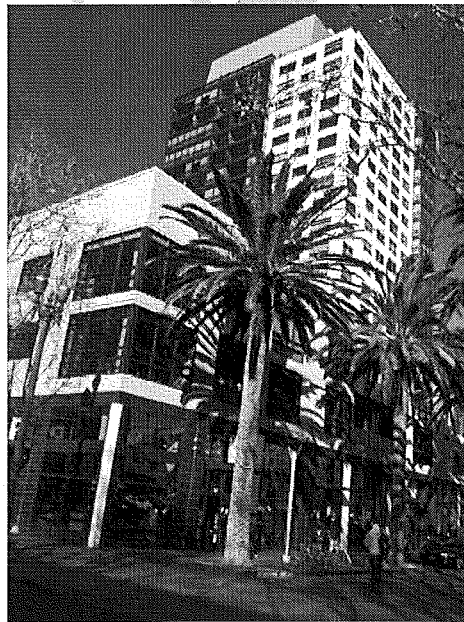
Terms and Conditions of Sale

1. **Method of Sale:** Sealed offers on a Successor Agency approved Purchase and Sale Agreement and Escrow Instructions shall be received by the Agency no later than December 3, 2012 at 4:00 pm PST at 200 East Santa Clara Street, 14th floor, San Jose, California, 95113, Attention: Kelly Hyland, Real Estate Manager
2. **Minimum Offer Price:** Offer to purchase must be in excess of \$300,000 to be considered.
3. **Selection and Evaluation of Offers.** The buyer for each property shall be selected based on the highest purchase price.
4. **Purchase Agreement.** The selected buyer for each property shall enter into a purchase and sale agreement in a form provided by the Agency, a copy of which is available at <http://www.sjredevelopment.org/realestate.html>.
5. **Property Condition:** Each property shall be sold in an as-is condition. Available environmental reports for each property are available at <http://www.sjredevelopment.org/realestate.html>.
6. **Due Diligence:** Selected buyer will have 30 days after being selected to perform all due diligence on the property.
7. **Payment and closing costs:** The purchase price shall be payable in cash at the close of escrow. Buyer shall pay outstanding Master Association dues at the close of escrow. Buyer and seller shall split all closing costs and fees. Estimate of closing costs can be attained by contacting Dian Blair, First American Title, 408-451-7828 or at dblair@firstam.com.
8. **Close of escrow:** Close of escrow shall occur on or before January 25, 2013.
9. **Commissions:** Agency shall not be liable for any real estate commission or brokerage fee that may arise from the transfer of the property.
10. **Board Approval:** All transactions have to be approved by the Successor Agency and Oversight Board.
11. **Rejection of Offers:** Agency reserves the unqualified right to reject any and all offers.
12. **Real Property Taxes.** The Property is currently not on the real property tax roll. Upon the transfer of the Property to a private party, the Property will be returned to the real property tax roll and real property taxes will be assessed on the Property. Potential buyers should consult with their legal and financial advisors to understand the implications related to the assessment of real property taxes on the Property.

Central Place Public Parking Garage
San Jose
Subject Photographs



Parking Garage Entrance



The 88

Central Place Public Parking Garage
San Jose
Subject Photographs



Parking Garage

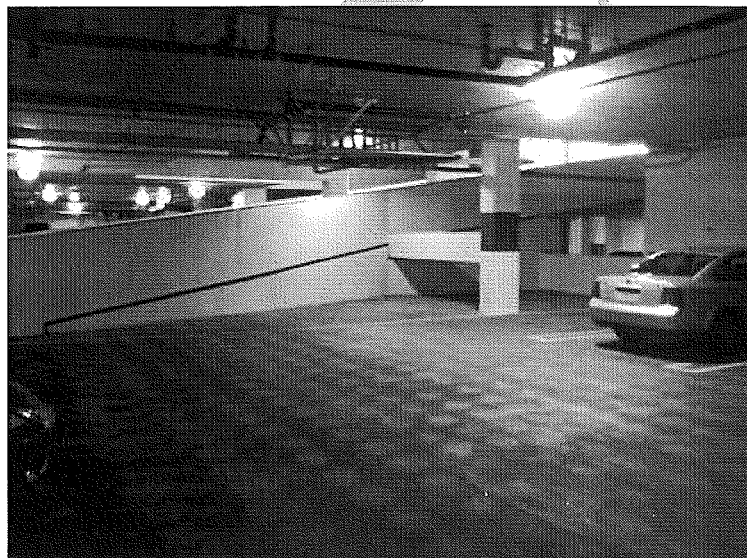


Parking Garage

*Central Place Public Parking Garage
San Jose
Subject Photographs*



Parking Garage



Parking Garage

*Central Place Public Parking Garage
San Jose
Subject Photographs*



Parking Garage



Parking Garage

Central Place Public Parking Garage
San Jose
Subject Photographs



Looking Northerly Down 2nd Street



Looking Southerly Down 2nd Street

*Central Place Public Parking Garage
San Jose
Subject Photographs*



Looking Easterly Down San Fernando Street



Looking Westerly Down San Fernando Street

Central Place Public Parking Garage
San Jose
Subject Photographs



Looking Southerly Down 3rd Street



Looking Northerly Down 3rd Street

Title 20 ZONING* 1**Chapter 20.70 DOWNTOWN ZONING REGULATIONS**

Chapter 20.70

DOWNTOWN ZONING REGULATIONS

Parts:

- 1 General
- 2 Uses Allowed
- 3 Development Regulations
- 4 Downtown Off-Street Parking Requirements
- 5 Downtown Off-Street Loading Requirements
- 5.5 Downtown Bicycle Parking Requirements
- 5.75 Downtown Clean Air Vehicle Parking Requirements
- 6 General Regulations
- 7 Permit Review Procedures

Part 1

GENERAL

Sections:

- 20.70.010 Applicability.
- 20.70.020 Downtown zoning districts.

20.70.010 Applicability.

This chapter shall apply only to properties with a zoning designation consistent with this chapter and located within the downtown area bounded by Julian Street, North Fourth Street, East St. John Street, 7th Street, East San Fernando Street, South 4th Street, Interstate 280, the Union Pacific Railroad line, Stockton Avenue, Taylor Street and Coleman Avenue, which area is sometimes referred to as the downtown zoning area.

(Ords. 26248, 27091, 28338, 28791, 29011.)

20.70.020 Downtown zoning districts.

A. This chapter sets forth the land use and development regulations applicable to the downtown zoning districts established by Section 20.10.060.

B. No building, structure, or land shall be used, and no building or structure shall be erected, enlarged, or structurally altered, in the DC Downtown Core and DC-NT1 Downtown Core - Neighborhood Transition 1 zoning districts except as set forth in this chapter.

(Ords. 26248, 27091, 28447.)

Part 2 USES ALLOWED

Sections:

20.70.100 Allowed uses and permit requirements.

20.70.110 Development within or adjacent to historic landmarks or districts.

20.70.120 Live/work units.

20.70.100 Allowed uses and permit requirements.

A. "Permitted" land uses are indicated by a "P" on Table 20-140.

B. "Conditional" uses requiring planning commission approval as the initial decision-making body are indicated by a "C" on Table 20-140. These uses may be allowed in such designated districts, as an independent use, but only upon issuance of and in compliance with a conditional use permit approved by the planning commission, or city council on appeal, as set forth in Chapter 20.100.

C. "Conditional" uses requiring city council approval as the initial decision-making body are indicated by a "CC" on Table 20-140. These uses may be allowed in such designated districts, as an independent use, but only upon issuance of and in compliance with a conditional use permit approved by the city council as set forth in Chapter 20.100. Applications for these uses shall first be considered by the planning commission at a public hearing of the commission for the commission's report and recommendation on the application to the city council pursuant to the processes set forth in Chapter 20.100.

D. "Special" uses are indicated by a "S" on Table 20-140. These uses may be allowed in such designated districts, as an independent use, but only upon issuance of and in compliance with a special use permit as set forth in Chapter 20.100.

E. "Administrative" uses are indicated by an "A" on Table 20-140. These uses may be allowed in such designated districts, as an independent use, but only upon issuance of and in compliance with an administrative permit as set forth in Chapter 20.100.

F. "Restricted" land uses are indicated by an "R" on Table 20-90. These uses may occur in such designated districts, as an independent use, but only upon issuance of and in full compliance with a valid

and effective Zoning Code Verification Certificate as set forth in Chapter 20.100.

G. Land uses not permitted are indicated by a “-” on Table 20-140. Land uses not listed on Table 20-140 are not permitted.

H. The column of Table 20-140, under the heading “Additional Use Regulations for the DG Area”, identifies further regulations on the uses of ground-floor building space within a portion of the DC Zoning District. The portion of the DC District included in the DG Area is described in Section 20.70.520. These regulations apply to ground-floor building space, defined as Downtown Ground-Floor Space (“DG Area”), in Section 20.70.520 of this Chapter. If there are no additional regulations on properties located in the DG Area noted in this column, the use regulations for the DG Area remain those regulations of the DC Zoning District.

I. The “Parking” column of Table 20-140 establishes the required parking. The amount of parking may not be increased or decreased unless modified by the Director as set forth in Sections 20.70.320 and 20.70.330 of this Chapter.

J. When the right column of Table 20-140 includes a reference to a section number or a footnote, the regulations cited in the section number or footnote apply to the use. In addition, all uses are subject to any other applicable provision of this Title 20 and any other title of the San José Municipal Code.

Table 20-140 Downtown Districts Land Use Regulations					
Use	Zoning District		Applicable Notes & Sections		
	DC	DC-NT1	Additional Use Regulations for the DG Area	Parking	Applicable to all Downtown Districts
Offices and Financial Services					
Automatic teller machine	P	P		No parking	Section <u>20.80.200</u>
Business support	P	P	S, Notes k and n	No parking	
Financial institution	P	P	S, Note n	2.5 per 1,000 sq. ft.*	
Financial services	P	P	S, Notes m and n	No parking	
Offices, business and administrative	P	P	S, Notes i and n	2.5 per 1,000 sq. ft.*	Section <u>20.70.110</u>
Payday lending establishment	R	R			Part 12.5, <u>Chapter 20.80</u> ; Section <u>20.200.875</u>
Research and development	P	P	-	2.5 per 1,000 sq. ft.*	Note 1
General Retail					

Alcohol, off-site sales - beer and/or wine only	C	C		No parking	Section <u>20.80.900</u>
Alcohol, off-site sales - full range of alcoholic beverages	C	C		No parking	Section <u>20.80.900</u>
Auction	S	-	-	No parking	
Certified farmers' market	S	S		No parking	Part 3.5, <u>Chapter 20.80</u>
Certified farmers' market - small	P	P		No parking	Part 3.5, <u>Chapter 20.80</u>
Food, beverage, groceries	P	P		No parking	
Open air sales establishments and areas	S	S		No parking	
Outdoor vending	S	S		No parking	Part 10, <u>Chapter 20.80</u>
Pawn shop, pawn broker	C	C	Note b	No parking	
Retail sales, goods and merchandise	P	P	Note a	No parking	
Seasonal sales	P	P		No parking	Part 14, <u>Chapter 20.80</u>
Education and Training					
Day care center	P	P	S, Notes c and n	No parking	
Post-secondary school	P	P	-	1 per 360 sq. ft.	
Trade school	P	P	-	1 per 360 sq. ft.	
School, elementary (grades K-8)	C	C	-	1 per teacher and employee	
Personal enrichment, instructional art	P	P	-, Note d	1 per 360 sq. ft.	
School, elementary (grades K - 8)	C	C	-	1 per teacher and employee	
High school (grades 9 - 12)	C	C	-	.75 per teacher and employee	

				and 1 per each 10 students	
Entertainment and Recreation Related					
Amusement arcade	C	-	Note e	No parking	
Movie theater	P	P		No parking	
Recreation commercial / indoor	P	P		No parking	
Poolroom	S	-		No parking	
Private club or lodge	P	P	-	1 per 360 sq. ft.	
Food Services					
Banquet facility	P	P	Note f	No parking required	
Caterer	P	P	C, Note f	No parking	
Drinking establishments	C	C		No parking	
Drinking establishments with an approved maximum occupancy load of over 250 persons and that operate between 12:00 midnight and 6:00 a.m.	CC	-		No parking	Note 7
Drinking establishments interior to a full- service hotel/motel with 75 or more guest rooms	P	P		No parking	Section <u>20.80.475</u>
Public eating establishments	P	P		No parking	
Wineries, breweries	C	C		No parking	
Health and Veterinary Services					
Animal grooming	P	P	-	No parking	
Animal boarding, indoor	P	P	-	No parking	

Emergency ambulance service	C	-	-	No parking	
Hospital/ in-patient medical facility	C	-	-	1.5 per doctor	
Medical or dental clinic / out-patient facility	P	P	-	1.5 per doctor	
Veterinarian	P	P	-	1.5 per doctor	
General Services					
Bed and breakfast	P	P	S, Note l	.35 per room	Part 2, <u>Chapter 20.80</u>
Hotel/motel	P	P	-, Note l	.35 per room	
Maintenance and repair of household appliances	P	P	-	No parking	
Mortuary and funeral services	C	C	-	.75 per employee and vehicle	
Personal services	P	P	Note g	No parking	-
Printing and publishing	P	P	Note h	No parking	
Public, Quasi-Public and Assembly Uses					
Auditorium	C	-	-	No parking	
Cemetery	C	C	-	No parking	
Church/religious assembly	P	P		No parking	
Information center	P	P		No parking	
Museums, libraries	P	-	P	No parking	
Parks, playgrounds, or community centers	P	P	Note j	No parking	
Residential					
Residential shelter	C	-	-	1 per 4 beds, 2.5 per 1,000 sq. ft.*	
Live/work	P	S		1.5 per unit	Section

					<u>20.70.120</u>
Residential multiple dwelling	P	P	-	1 per unit	
Residential care facility for seven or more persons	C	C	-	.75 per employee	
Residential services facility for seven or more persons	C	C	-	.75 per employee	
Single room occupancy living unit	S	S	-	.6 per room	Part 15, <u>Chapter 20.80</u>
Single room occupancy living unit	S	S	-	.6 per room	Part 15, <u>Chapter 20.80</u>
Single room occupancy hotel	S	S	-	.6 per room	Part 15, <u>Chapter 20.80</u>
Residential Accessory Uses					
Accessory buildings and structures	P	P	-	No parking	Note 2
Recycling Uses					
Reverse vending	S	S	-	No parking	Note 3
Small collection facility	S	S	-	No parking	Note 3
Transportation and Communication					
Community television antenna systems	C	-	-	No parking	
Off-site and alternating use parking arrangements	P	P	-	N/A	Section <u>20.90.200</u>
Parking establishment, off-street	P	P	-	N/A	
Private electrical power generation facility	C	C	-	1 for each vehicle used in the operation of such facility	
Standby generators that	A	A	-	N/A	

do not exceed noise or air standards					
Temporary stand-by / backup generators	P	P	-	N/A	
Short term parking lot for uses or events other than on-site	S	S		N/A	
Radio and television studios	P	-	Note n	No parking	
Wireless communication antenna	S	-	-	No parking	Section <u>20.80.1900</u>
Wireless communication antenna, building mounted	P	-	-	No parking	Section <u>20.80.1900</u>
Electrical Power Generation					
Solar photovoltaic system	P	P	-	No parking	Section <u>20.100.610</u> C.7.
Vehicle Related Uses					
Accessory installation for cars and passenger trucks	P	-	-	No parking	
Car wash, detailing	P	-	-	No parking	
Gas or charge station	P	-	-	No parking	Note 3, Note 8
Gas or charge station with incidental service and repair	P	-	-	No parking	Note 3
Sale and lease, vehicles and equipment (less than one ton)	P	-	-	1.5 per employee	Note 4
Tires, batteries,	P	-	-	2 per bay or .75	Note 5

accessories, lube, oil change, smog check station, air conditioning				per employee	
Sale, vehicle parts, new	P	-	-	No parking required	
Historic Reuse					
Historic landmark structure reuse	S	S		Section <u>20.90.220E.</u>	Part 8.5 <u>Chapter 20.80</u>

Notes:

Notes applicable to the DG Area only:

- a. Excluding second-hand stores not dealing primarily in antiques, artworks, or vintage clothing.
- b. Only as a use incidental to a retail jewelry store, otherwise, not permitted.
- c. Only as a use incidental to existing on-site office use, otherwise not permitted.
- d. Culinary/art school with public classes and public demonstrations allowed, includes such areas as dance, music, martial arts, and fine arts.
- e. Allowed only as an incidental use to other allowed recreation uses.
- f. Only as a use incidental to restaurant, grocery or bakery uses for primarily on-site sales, otherwise not permitted.
- g. Excludes check-cashing services, photography studios, weight loss centers, interior decorating, and bail bond services.
- h. Only if dedicated primarily to on-site retail customer copy services, otherwise not permitted.
- i. Exception for travel agencies and real estate agencies which are the only permitted uses.
- j. Community centers are not allowed.
- k. Exception for copy shops and mail centers which are the only permitted uses.
- l. Use of ground floor to be primarily dedicated to customer-related public services.
- m. Includes financial retail services such as payroll advances, foreign currency exchange, debt card services and related financial services products but excludes check cashing except as an ancillary use.
- n. In order to be a permitted use, the space to be occupied shall have been vacant on January 1, 2012, the size of the space of such use shall be limited in size to a total maximum area of no greater than twenty thousand square feet, and the space shall not be located within a corner tenant space that is

directly adjacent to the intersection of two public streets. Any use that does not meet all of the criteria specified above in this note may be allowed with a special use permit, and a special use permit is and shall be required.

Notes applicable to Downtown Core (DC) Zoning District, including DG Area:

1. Excludes manufacturing uses.
2. No lot may be used solely for an accessory structure or building.
3. Incidental repair includes air conditioning service, carburetor and fuel injection service, electrical service, radiator service, and tune-up, lube, oil change, and smog check, as well as tires, batteries and accessories installation. Does not allow body repair or painting.
4. All activity must be conducted indoors.
5. Non-engine and exhaust related service and repair allowed as incidental use.
6. Limited to instrumental and vocal music and readings. Also, notwithstanding the provisions of Section 20.200.940B, incidental instrumental and vocal music shall be allowed between the hours of 6:00 a.m. and 12:00 a.m.
7. Maximum occupancy load shall be that maximum occupancy load determined by the city fire marshal.
8. Pedestal charging stations that are incidental to a separate primary use, that do not impact on-site or off-site vehicular circulation, and that serve patrons of the primary use on-site are permitted in all downtown zoning districts.

*Under the parking management plan, October 2001, the code may be changed to reduce the parking allotments for these uses. The reduction would be to two and one-half spaces per one thousand square feet when BART is opened.

Fifteen percent of total parking requirement must be provided off-site.

(Ords. 26248, 27091, 27441, 27564, 27701, 27757, 28320, 28447, 28694, 28731, 28791, 28958, 29011, 29047, 28089, 29122.)

20.70.110 Development within or adjacent to historic landmarks or districts.

A. Any project within a historic district shall conform to applicable guidelines adopted, and as amended by the city council.

B. For purposes of this section, "historic district" and "historic landmark" refer to any site, building, structure, or area that has received city, state or federal landmark status.

C. New structures exceeding one hundred fifty feet and an FAR of 6:1 which are constructed within one hundred feet of a city landmark or contributing structure in a designated landmark district shall be reviewed by the historic landmarks commission prior to consideration or approval of a development permit for new construction. The comments of the historic landmarks commission shall be

included in any development permit staff report subsequently presented to the executive director of the redevelopment agency, director of planning, planning commission or city council.

(Ord. 27091.)

20.70.120 Live/work units.

All live-work uses in the downtown zoning districts shall be subject to all of the following criteria:

A. All work activities shall be limited to the permitted uses of the downtown zoning districts, specified in Table 20-140, unless otherwise noted in this chapter.

B. All work activities and storage shall take place in fully enclosed areas.

C. Prohibited uses:

1. Any use not permitted within the downtown zoning districts, as specified in Table 20-140 or under Section 20.80.720 for home occupation uses.

2. Entertainment, drinking and public eating establishments.

3. The sale of food and/or beverages.

4. Veterinary services, including grooming and boarding, and the breeding or care of animals for hire or for sale.

5. Storage or recycling, except as incidental to and in support of a permitted use in the downtown zoning districts.

6. Activities involving biological or chemical substances that require a controlled environment or may pose a health hazard.

7. Work activities that involve hazardous material or generate odors, vibration, glare, fumes, dust, electrical interference outside the dwelling or through vertical separation between living units, greater than those generated by routine household activities.

D. The living unit must be occupied by an owner, employee, or volunteer of the business associated with the live/work unit.

E. All live/work units must fully comply with any and all Uniform Building Code requirements applicable to the collocation of uses at the particular site.

(Ords. 26248, 27091, 27441, 28447.)

Part 3 DEVELOPMENT REGULATIONS

Sections:

20.70.200 Height, DC districts.

20.70.210 Setback requirements, DC districts.

20.70.220 Development regulations - DC-NT1 district.

20.70.200 Height, DC districts.

A. Except as otherwise specified in this chapter, properties located in the downtown zoning districts shall only be subject to the height limitations necessary for the safe operation of San José International Airport.

B. No building or structure, together with any equipment or objects attached to such building or structure, shall be permitted of a height that exceeds the elevation restrictions prescribed under Federal Aviation Regulations Part 77 (14 C.F.R. Part 77), as amended, unless the proposed height is specifically reviewed in an aeronautical study prepared by the Federal Aviation Administration in accordance with such federal regulations and the study concludes that the proposed building or structure does not constitute an obstruction or hazard to air operations.

(Ords. 26248, 27091.)

20.70.210 Setback requirements, DC districts.

Except as otherwise specified in this chapter, properties located in the DC districts shall not be subject to any minimum setback requirements.

(Ords. 26248, 27091.)

20.70.220 Development regulations - DC-NT1 district.

All development regulations in the DC-NT1 district shall conform to the development regulations set forth below in Table 20-150.

Table 20-150				
Location	Height Limit*	Setback*	Special Conditions*	Supplemental Standards*
Balbach (south side, between Almaden Avenue and Almaden Boulevard)		10 feet	50-foot setback required for portions of buildings above 70 feet	
Almaden Avenue (west side between Balbach and Reed Streets)	35 feet or 2 - 1/2 stories			
Almaden Boulevard	70 feet (to a maximum depth of 100 feet)		Planning Commission may allow heights up to	Portions of buildings higher than 70 feet shall

(east side between Almaden Blvd. and Almaden Avenue between Balbach Street and I-280)			100 feet to a maximum depth of 100 feet from Almaden Blvd and at a minimum distance of 50 feet from Balbach, if design guidelines are met	be: 1. Limited to 100 feet in length and a diagonal no greater than 125 feet. Shorter side to be generally parallel to Almaden Blvd. 2. Set back one foot from common property lines for each two feet in excess of 70 feet
Market Street (west side, Balbach to Pierce)	60 feet	Front and side setbacks not permitted		Setbacks allowed for recessed entries
Market Street (west side, Pierce to Hwy. 280)	120 feet	Minimum 10 feet to residential property line		Height may not exceed a slope of 3:2, as measured from ground level at the adjacent residentially zoned property line
* Where no standard is specified, the development standards of the DC District shall prevail				

(Ord. 27091.)

Part 4**DOWNTOWN OFF-STREET PARKING REQUIREMENTS**

Sections:

20.70.300 Downtown parking management zone - Creation.20.70.310 Definitions.20.70.320 Downtown parking management zone - Minimum off-street parking requirements.20.70.330 Reduction of requirement.20.70.340 Increase in allowed parking.20.70.350 Tandem parking.20.70.360 Nonconforming prior uses.20.70.370 Enlargement, intensification or change in use.

20.70.380 Amount of in-lieu fees.

20.70.385 In-lieu fee fund.

20.70.390 Preferred parking.

20.70.395 Inconsistent provisions.

20.70.300 Downtown parking management zone - Creation.

A downtown parking management zone is hereby established, being those properties in the downtown zoning districts.

(Ords. 26248, 27091.)

20.70.310 Definitions.

All references to "Off-street parking space" in this chapter shall have the definition set forth in Section 20.90.050 of this title.

(Ord. 27091.)

20.70.320 Downtown parking management zone - Minimum off-street parking requirements.

The minimum number of off-street parking spaces required for uses conducted in the downtown parking management zone is shown on Table 20-140 under the column titled "Parking." Whenever the minimum number of off-street parking spaces required for use is not specified in Table 20-140, the director shall determine which of the specified uses is most similar to the unspecified use, and the minimum requirement for that specified use shall apply. All references to building square footage shall be based on "floor area" in Section 20.90.050.

(Ords. 26248, 27091.)

20.70.330 Reduction of requirement.

In addition to exceptions provided for under Section 20.90.200, the following reductions in parking requirements may be made by the director:

A. The director may grant up to a fifteen percent reduction in the number of spaces required as part of the issuance of a development permit where the reduced number of spaces will be adequate to meet the parking demand generated by the project when the following findings are made:

1. The project has developed a travel demand management (TDM) program that provides evidence that a TDM program will reduce parking demand and identifies the percentage of parking demand that will be reduced through the TDM program. The TDM program will incorporate one or more elements of TDM including, but not limited to measures such as Ecopass, parking cash-out, alternate work schedules, ride sharing, transit support, carpool/ vanpools, shared parking, or any other reasonable measures; and

2. The project demonstrates that it can maintain the TDM program for the life of the project and it is reasonably certain that the parking shall continue to be provided and maintained at the same location for the services of the building or use for which such parking is required, during the life of the building or use.

B. For mixed use projects, the director may reduce the required parking spaces by up to fifty percent, including any other exceptions or reductions as allowed under Title 20, upon making the following findings:

1. That the reduction in parking will not adversely affect surrounding projects;
2. That the reduction in parking will not be dependent upon public parking supply; or reduce the surrounding public parking supply; and
3. The project demonstrates that it can maintain the TDM program for the life of the project and it is reasonably certain that the parking shall continue to be provided and maintained at the same location for the services of the building or use for which such parking is required, during the life of the building or use.

C. The total parking required for a project may be reduced by up to one hundred percent as part of a development permit where public parking is provided on-site as part of a public or private development project. Public parking spaces may be applied toward the parking requirements for the use, applying no more than a one-for-one standard. The finding shall be made in the development permit by the director and be based on an alternate peak use, shared parking or parking demand analysis.

D. The project will provide replacement parking either on site, off-site within reasonable walking distance or pay the current in-lieu fee for the parking required if the project fails to maintain a TDM program.

(Ords. 26248, 27091.)

20.70.340 Increase in allowed parking.

The director may increase the number of parking spaces allowed for a particular use as part of issuing a development permit where the allowed number of spaces will be inadequate to meet the parking demand when the following findings are made:

- A. The number of parking spaces allowed is inadequate to meet the parking requirements of the individual buildings and uses;
- B. The available off-site facilities are not accessible to the building or adequate for uses to be served.

(Ords. 26248, 27091.)

20.70.350 Tandem parking.

A. The Director may issue a development permit to allow tandem parking spaces to satisfy up to fifty percent of the required off-street parking.

B. This permit shall be issued only upon a finding, based on an adequate parking management plan, that the reconfiguration of spaces will be adequate to meet the parking demand generated by the project.

C. This finding shall be based upon a parking demand analysis which may include, without limitation, alternate peak use of parking spaces, shared parking, proximity to public transit.

(Ords. 26248, 27091.)

20.70.360 Nonconforming prior uses.

Any structure in the downtown parking management zone legally instituted prior to April 30, 2004 shall be a legal nonconforming use for purposes of this part.

(Ords. 26248, 27091.)

20.70.370 Enlargement, intensification or change in use.

A. Any structure which is a legal nonconforming use pursuant to Chapter 20.150 is exempted from the application of this part, except to the extent of the construction of any additional structure or enlargement of the existing structure.

B. New structures on parcels that are ten thousand square feet or less with up to thirty thousand square feet of building area do not need to provide parking.

C. Additions to structures totaling less than twenty percent of the existing structure are exempt from providing parking.

D. Additions to a historic landmark, structures in a historic district, or contributing structures to a historic district, do not need to provide parking if the addition conforms to the Secretary of Interior Historic Design Guidelines.

(Ords. 26248, 27091.)

20.70.380 Amount of in-lieu fees.

The amount of the in-lieu off-street parking fee shall be set forth in the schedule of fees established by resolution of the city council.

(Ords. 26248, 27091.)

20.70.385 In-lieu fee fund.

A special fund exists entitled, "The Downtown Parking Management Zone Off-Street Parking In-Lieu Fee Fund." Any in-lieu off-street parking fee collected shall be deposited in said special fund. Moneys deposited in the downtown parking management zone off-street parking in-lieu fee fund shall be expended only to acquire sites for, and/or pay costs of the construction of, public off-street parking facilities in or near the downtown parking management zone.

(Ords. 26248, 27091.)

20.70.390 Preferred parking.

A. When payment of the in-lieu off-street parking fee has been made, the owners of the subject property may be given preference in the leasing of monthly parking spaces in city off-street parking facilities which are located within reasonable walking distance of the subject property, if such spaces are available. Such spaces may be made available on a monthly basis.

B. The number of preferential parking spaces shall not exceed the number of required off-street parking spaces for which the in-lieu fee was paid. The preferences under this section shall remain in effect for a period not to exceed twenty years from the date of the issuance of the building permit or the acceptance of the conditional use permit. The granting of these preferences, in any case, shall be at the sole discretion of the city and may be withdrawn at any time once granted.

(Ords. 26248, 27091.)

20.70.395 Inconsistent provisions.

A. This part shall control over any inconsistent provisions of this title. All other requirements set forth in this chapter, not inconsistent with this part, shall control over any other inconsistent provisions of this title.

B. No variance or exception pursuant to Part 11 of Chapter 20.100 shall apply to any requirement specified in this part.

(Ords. 26248, 27091.)

Part 5

DOWNTOWN OFF-STREET LOADING REQUIREMENTS

Sections:

20.70.400 General.

20.70.410 Definitions.

20.70.415 Exemption for additions to historic buildings.

20.70.420 Professional offices.

20.70.430 Retail and commercial uses.

20.70.435 Loading spaces for residential uses.

20.70.440 Hotel and other uses.

20.70.450 Reduction of requirement.

20.70.460 Standards.

20.70.470 Recycling.

20.70.480 Garbage enclosure.

20.70.400 General.

Properties in the downtown zoning districts shall be subject to the off-street loading requirements of this part.

(Ords. 26248, 27091.)

20.70.410 Definitions.

All references to "off-street loading" in this chapter shall have the definition set forth in 20.90.400 of this title.

(Ord. 27091.)

20.70.415 Exemption for additions to historic buildings.

Notwithstanding any other provision of this title, an addition to a city landmark that increases the original net square feet of the building by up to one hundred percent shall be exempt from all off-street loading requirements.

(Ords. 26248, 27091.)

20.70.420 Professional offices.

Offices with one hundred thousand to one hundred seventy five thousand square feet of total gross floor area shall provide one loading space. One additional loading space shall be included for each one hundred thousand square feet of total gross floor area in excess of one hundred seventy five thousand square feet.

(Ords. 26248, 27091.)

20.70.430 Retail and commercial uses.

A. Retail and commercial stores and shops, restaurants, bars and drug stores greater than ten thousand GFA and less than thirty thousand one GFA shall provide one loading space.

B. Retail and commercial stores and shops, restaurants, bars and drug stores greater than thirty thousand GFA and less than fifty thousand one GFA shall provide two loading spaces.

C. Retail and commercial stores and shops, restaurants, bars and drug stores greater than fifty thousand GFA shall provide two loading spaces plus one loading space for each twenty-five GFA over fifty thousand GFA.

(Ords. 26248, 27091.)

20.70.435 Loading spaces for residential uses.

A. Multiple dwelling residential uses of greater than fifty units and less than two hundred units shall provide at least one off-street loading space.

B. Multiple dwelling residential uses of two hundred units or greater and less than five hundred units shall provide at least two (2) off-street loading spaces.

C. Multiple dwelling residential uses of five hundred units or more shall provide at least three off-street loading spaces.

(Ord. 27441.)

20.70.440 Hotel and other uses.

A. Hotels and all other uses not addressed under Sections 20.70.430 or 20.70.435 of this Part of greater than one hundred thousand GFA and less than two hundred thousand one GFA shall provide at least one off-street loading space.

B. Hotels and all other uses not addressed under Sections 20.70.430 or 20.70.435 of greater than two hundred thousand GFA and less than five hundred thousand one GFA shall provide at least two off-street loading spaces.

C. Hotels and all other uses not addressed under Sections 20.70.430 or 20.70.435 of greater than five hundred thousand one GFA shall provide at least two off-street loading spaces plus at least one additional off-street loading space for each four hundred thousand GFA increment above the initial five hundred thousand one GFA.

(Ords. 26248, 27091, 27441.)

20.70.450 Reduction of requirement.

A. The director may authorize the reduction of two on-site loading spaces to one on-site loading space in connection with the issuance of a development permit if the director finds that sufficient on-street loading space exists to accommodate circulation and manipulation of freight.

B. The director may reduce the number of off-street loading spaces based on the available loading space within the public right-of-way.

(Ords. 26248, 27091.)

20.70.460 Standards.

Loading spaces, driveways and maneuvering space in on-site loading areas shall comply with Sections 20.90.420 and 20.90.430.

(Ords. 26248, 27091.)

20.70.470 Recycling.

Any new structure approved pursuant to this title shall provide facilities, circulation and maneuvering space to accommodate participation in the city's recycling program.

(Ords. 26248, 27091.)

20.70.480 Garbage enclosure.

Any use that generates garbage, as defined in Section 9.10.120 of this Code, shall provide an enclosed and ventilated space with drain and wash systems adequate to accommodate anticipated waste.

(Ords. 26248, 27091.)

Part 5.5

DOWNTOWN BICYCLE PARKING REQUIREMENTS

Section:

20.70.485 Number of bicycle parking spaces.

20.70.485 Number of bicycle parking spaces.

The number of required bicycle parking spaces shall be as set forth in Chapter 20.90 of this title, except that enumerated uses in Chapter 20.70 that do not require any off-street parking for motorized vehicles shall be required to provide only two short-term bicycle parking spaces, as defined in Section 20.90.050, and one long-term bicycle parking space as defined in Section 20.90.050.

(Ord. 28836.)

Part 5.75

DOWNTOWN CLEAN AIR VEHICLE PARKING REQUIREMENTS

Sections:

20.70.490 Number of clean air vehicle parking spaces.

20.70.490 Number of clean air vehicle parking spaces.

The number of required clean air vehicle parking spaces shall be as set forth in Chapter 20.90 of this title.

(Ord. 28836.)

Part 6

GENERAL REGULATIONS

Sections:

20.70.500 Design guidelines.

20.70.510 Late night uses and activity.

20.70.520 Definitions of DG overlay area.

20.70.500 Design guidelines.

For any project in the downtown zoning districts that are subject to a development permit, that project shall be subject to design guidelines adopted by the city council for the applicable area.

(Ord. 27091.)

20.70.510 Late night uses and activity.

A. No retail commercial establishment or entertainment establishment (without alcohol) shall be open between the hours of 12:00 midnight and 6:00 a.m. in the DC and DC-NT1 districts except with a special use permit as provided in Chapter 20.180 of this title.

B. No drinking establishment shall be open between the hours of 12:00 midnight and 6:00 a.m. in the DC or DC-NT1 districts except with a conditional use permit as provided in Chapter 20.100 of this title.

(Ords. 26248, 27091.)

20.70.520 Definitions of DG overlay area.

A. "Downtown ground-floor space" ("DG") means ground-floor, street frontage, building space that is located within the areas described as follows:

1. Both sides of Santa Clara Street, between San Pedro Street and Second Street;
2. Both sides of Fountain Alley, between First Street and Second Street;
3. Both sides of Post Street, between Lightson Street and First Street;
4. Both sides of San Fernando Street, between Market Street and Fourth Street;
5. Both sides of Park Avenue from Market Street, continuing westerly for five hundred feet;
6. Both sides of Paseo de San Antonio, between Market Street and Fourth Street;
7. Both sides of San Carlos Street, between Market Street and Fourth Street;
8. Both sides of San Pedro Street, between St. John Street and Santa Clara Street;
9. Both sides of Market Street, between San Fernando and San Carlos Street;

10. Both sides of First Street, between Santa Clara Street and San Carlos Street;
11. Both sides of Second Street, between Santa Clara Street and San Carlos Street;
12. East side of Third Street, from four hundred sixty-three feet north of San Fernando Street to the north side of San Fernando Street;
13. Both sides of Third Street, from San Fernando Street to two hundred seventy feet south of San Fernando Street;
14. Both sides of Fourth Street, from four hundred sixty-three feet north of San Fernando Street to the north side of San Fernando Street; and
15. West side of Fourth Street, from the south side of San Fernando Street to two hundred seventy feet south of San Fernando Street.

B. Tenant spaces in the DG overlay district area shall include ground-floor space that can be segregated from the street frontage portion of the space, in a manner consistent with all applicable codes (as is required by existing law and practice) and that leaves a viable store front space. The clear-height for the ground-floor uses and the available depth of such space should be adequate to accommodate retail uses consistent with the predominant character of retail uses in the immediate vicinity, or to promote a theme or identity of the larger area in which it is located.

(Ords. 26326, 27091, 27441.)

Part 7 **PERMIT REVIEW PROCEDURES**

Sections:

20.70.600 General.

20.70.600 General.

Except as otherwise provided in this chapter:

A. Issuance of any development permits required by this chapter shall be governed by Chapters 20.100 of this Code.

B. Issuance of permits or approvals relating to nonconforming uses in the DC and DC-NT1 downtown districts shall be governed by Chapter 20.150 of this Code.

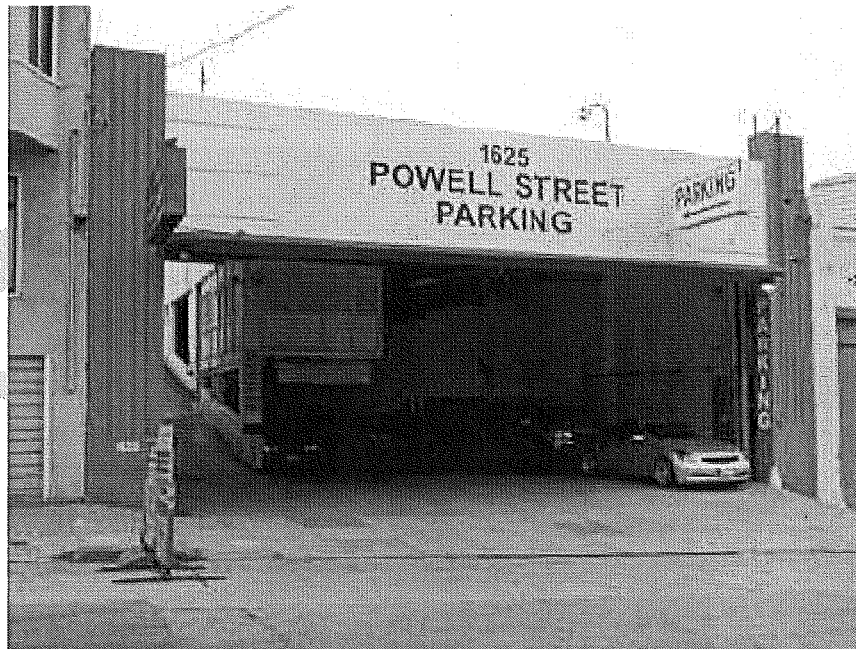
C. Issuance of any variances for properties in the DC and DC-NT1 districts shall be governed by Part 11 of Chapter 20.100 of this Code.

(Ords. 26248, 27091.)

Disclaimer:

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Sale Comparables



1625 Powell Street, San Francisco



490 Post Street, San Francisco

Sale Comparables



Museum Parc Parking Garage
300 3rd Street, San Francisco

NORTH AMERICA | CENTRAL BUSINESS DISTRICT

2012 PARKING RATE SURVEY



Parking Rates Show Modest Growth

JAMES COOK Director of Research | USA

JEFF SIMONSON Senior Research Analyst | USA

NORTH AMERICAN COMPARISON
TOP 25 MONTHLY PARKING RATES* (USD)

New York – Midtown	562.00
New York – Downtown	533.00
Calgary, AB	439.93
Boston, MA	405.00
San Francisco, CA	375.00
Montreal, QC	318.78
Philadelphia, PA	313.25
Toronto, ON	304.75
Chicago, IL	289.00
Seattle, WA	285.00
Edmonton, AB	284.14
Washington, DC	270.00
Vancouver, BC	267.59
Honolulu, HI	230.00
Los Angeles, CA	220.93
Ottawa, ON	216.72
Oakland, CA	195.00
Bellevue, WA	195.00
Hartford, CT	189.74
Portland, OR	185.00
Denver, CO	180.00
Victoria, BC	178.00
Regina, SK	175.78
San Diego, CA	175.00
Minneapolis, MN	175.00

*Monthly unreserved median rates

Reflecting slow growth trends in the greater economy, the cost of downtown daily parking rates increased by an average of 1.6 percent year-over-year in 2012. Fees remained flat or grew slightly in most North American cities. Only nine cities in the U.S. and Canada saw a drop in daily rates. This positive trend reflects the overall economic narrative of recent years. In 2010, daily parking rates dropped by 1.4 percent. Rates stabilized in 2011, showing a small increase of 0.8 percent. This price increase in 2012 shows garage owners and operators beginning to test the waters with modest rate increases as demand slowly rises.

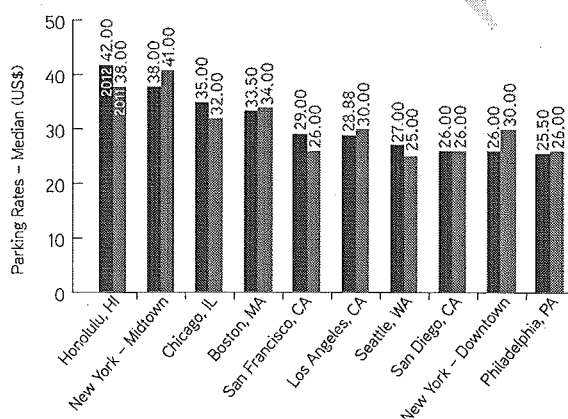
The cost for monthly unreserved parking grew by 2.5 percent. Only 10 cities saw decreases in monthly unreserved rates, including Toronto, Boston and Vancouver. Hourly parking rates grew as well, increasing by an average 3.7 percent. Fifteen North American markets saw increases, including Chicago, Washington DC and San Francisco.

North American office markets have seen modest positive absorption each quarter since Q2 2010. With more office space leasing, we generally expect monthly parking to see a higher demand, which results in higher prices. Meanwhile, consumer gasoline costs have seen peaks and valleys in the past year, with lower prices early in the year now making way for recent price jumps. With gasoline futures climbing, we expect consumers to see even further cost hikes at the pump. This could prompt

more urban commuters to carpool or take public transportation, decreasing demand for paid parking and dropping rates. However, continued positive demand for office space will help to counteract the effects of gasoline prices.

Colliers' parking rate survey includes 56 central business districts across North America. (U.S.: 44, Canada: 12)

NORTH AMERICA – TOP 10 DAILY PARKING RATES



continued on page 3

CBD PARKING RATE SURVEY | 2012 | NORTH AMERICA

DAILY PARKING RATE (USD)

UNITED STATES

MARKET	DAILY PARKING RATE (USD)				HOURLY PARKING RATE (USD)			
	LDW	MEDIAN	HIGH	% CHANGE VS. 2011	LOW	MEDIAN	HIGH	% CHANGE VS. 2011
Atlanta, GA	4.00	12.00	22.00	0.0%	1.00	4.00	8.00	0.0%
Bakersfield, CA	6.00	8.00	10.00	0.0%	1.75	2.00	3.50	0.0%
Bellevue, WA	14.00	18.00	20.00	4.3%	3.00	7.00	7.00	16.7%
Boise, ID	12.00	12.00	12.00	0.0%	1.50	1.50	1.50	0.0%
Boston, MA	19.00	33.50	44.00	-1.5%	3.00	12.00	26.00	0.0%
Charleston, SC	10.00	14.00	16.00	16.7%	1.00	2.00	4.00	0.0%
Chicago, IL	23.00	35.00	58.00	9.4%	10.00	19.00	28.00	11.8%
Cincinnati, OH	6.00	10.00	15.00	0.0%	1.00	3.50	6.50	0.0%
Columbia, SC	7.00	10.00	12.00	0.0%	1.00	2.00	3.00	60.0%
Columbus, OH	4.00	10.00	15.00	0.0%	1.00	3.00	8.00	0.0%
Dallas, TX	3.00	10.50	21.00	2.4%	1.00	4.60	10.00	2.2%
Denver, CO	12.00	16.00	24.00	0.0%	2.00	8.00	10.00	0.0%
Fresno, CA	8.00	9.00	10.00	0.0%	1.00	1.50	3.00	0.0%
Ft. Lauderdale, FL	10.00	15.00	25.00	0.0%	0.50	1.00	3.00	0.0%
Greenville, SC	6.00	6.00	6.00	0.0%	0.50	0.75	1.50	-25.0%
Hartford, CT	14.00	19.00	30.00	0.0%	2.00	3.00	5.00	0.0%
Honolulu, HI	21.00	42.00	75.00	10.5%	1.50	6.50	10.00	8.3%
Houston, TX	5.00	15.00	30.00	3.4%	3.00	4.50	13.00	0.0%
Indianapolis, IN	5.00	13.00	40.00	8.3%	1.00	5.00	13.00	25.0%
Jacksonville, FL	6.42	8.56	12.84	0.0%	1.07	1.47	4.00	0.0%
Little Rock, AR	3.26	7.83	10.85	6.4%	1.09	1.42	1.50	10.1%
Los Angeles, CA	5.50	28.88	50.00	-3.7%	1.00	12.50	25.00	0.0%
Miami, FL	5.00	17.00	19.00	0.0%	3.00	5.00	6.00	0.0%
Minneapolis, MN	3.50	13.00	25.00	8.3%	2.00	4.00	8.00	0.0%
New Haven, CT	14.00	17.10	18.00	0.0%	3.00	3.80	4.00	0.0%
New York - Downtown	16.00	26.00	41.00	-13.3%	13.00	20.00	27.00	0.0%
New York - Midtown	12.00	38.00	75.00	-7.3%	7.00	19.00	40.00	-13.6%
Oakland, CA	10.00	15.50	30.00	-13.9%	2.25	4.00	6.00	0.0%
Omaha, NE	4.00	15.00	30.00	0.0%	1.00	6.00	10.00	0.0%
Orlando, FL	8.00	12.00	25.00	-20.0%	1.00	2.00	6.00	0.0%
Philadelphia, PA	20.00	25.50	39.00	-1.9%	9.50	13.00	17.00	0.0%
Phoenix, AZ	9.00	12.00	18.00	50.0%	2.00	3.00	3.00	20.0%
Portland, OR	7.00	15.00	35.00	0.0%	1.50	5.00	12.00	0.0%
Raleigh, NC	7.00	10.00	12.00	0.0%	-	-	-	-
Sacramento, CA	6.00	15.00	24.00	0.0%	1.00	3.00	5.25	0.0%
San Diego, CA	18.00	26.00	30.00	0.0%	6.00	8.00	10.00	0.0%
San Francisco, CA	8.00	29.00	48.00	11.5%	2.50	10.00	18.00	11.1%
San Jose/Silicon Valley, CA	5.00	15.00	20.00	0.0%	2.25	3.00	3.75	0.0%
Seattle, WA	14.00	27.00	35.00	8.0%	5.00	9.00	13.00	0.0%
Tampa, FL	7.00	11.00	20.00	0.0%	1.20	2.50	3.50	11.1%
Walnut Creek/Pleasanton	5.00	12.00	22.00	0.0%	1.00	4.00	8.00	0.0%
Washington, DC	17.00	19.00	22.00	5.6%	9.00	11.00	12.00	10.0%
West Palm Beach, FL	15.00	16.00	20.00	0.0%	0.75	1.00	1.50	0.0%
U.S. NATIONAL AVERAGE	9.64	17.19	27.13	2.9%	2.71	5.77	9.73	3.9%

CANADA

MARKET	DAILY PARKING RATE (CAD)				HOURLY PARKING RATE (CAD)			
	LOW	MEDIAN	HIGH	% CHANGE FROM 2011	LOW	MEDIAN	HIGH	% CHANGE FROM 2011
Calgary, AB	20.43	25.00	31.07	0.0%	5.88	7.00	10.00	0.0%
Edmonton, AB	8.00	18.00	28.00	0.0%	3.00	5.00	5.00	0.0%
Halifax, NS	10.00	16.75	25.00	24.1%	3.00	3.42	4.00	14.0%
Montreal, QC	15.00	19.50	21.50	8.3%	7.50	9.00	10.50	0.0%
Ottawa, ON	13.00	16.00	20.00	6.7%	4.00	7.00	7.00	27.3%
Regina, SK	7.00	10.00	11.00	0.0%	2.00	2.00	3.00	0.0%
Saskatoon, SK	7.50	9.25	12.00	0.0%	2.00	2.50	3.00	0.0%
Toronto, ON	10.00	23.00	32.00	0.0%	4.50	8.00	21.00	-11.1%
Vancouver, BC	10.00	19.75	32.00	-1.3%	3.50	7.00	9.00	0.0%
Victoria, BC	10.75	12.75	13.50	-5.6%	1.00	2.25	2.25	50.0%
Waterloo Region	10.00	13.00	18.00	8.3%	2.00	2.88	3.00	4.7%
Winnipeg, MB	8.50	9.50	12.50	5.6%	2.00	4.25	4.75	6.3%
CANADA NATIONAL AVERAGE	10.85	16.04	21.38	3.4%	3.37	5.03	6.88	3.5%

Parking Rates Show Modest Growth

Continued from page 1

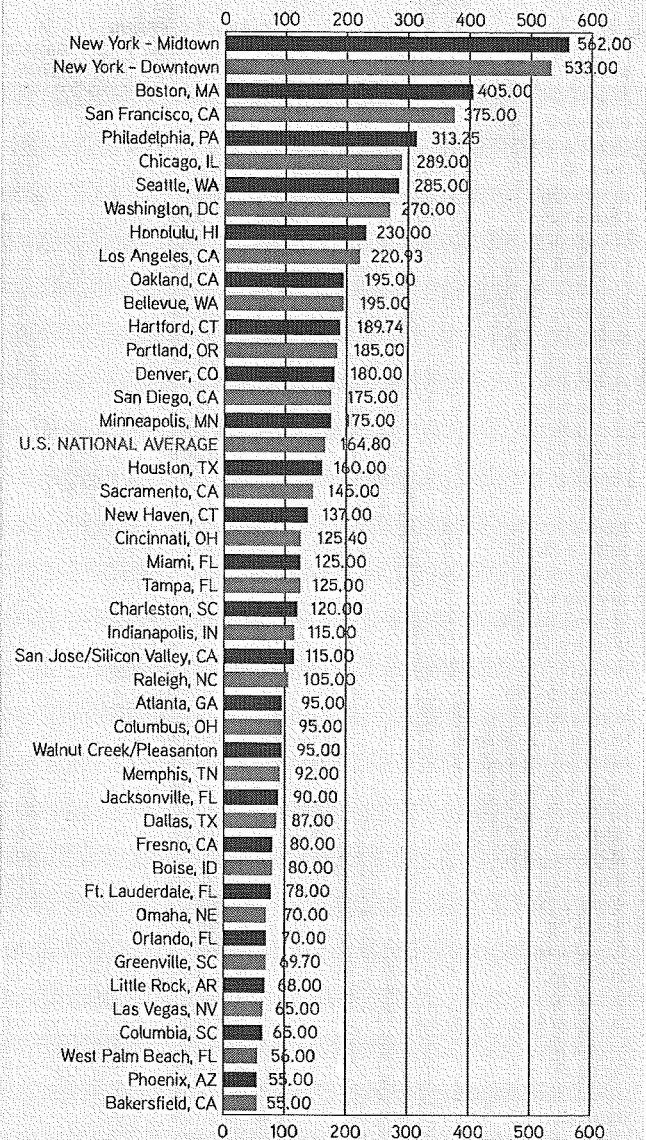
UNITED STATES

- Monthly unreserved parking rates increased year-over-year by \$5.47 or 3.4 percent.
- The average monthly U.S. median unreserved parking rate is \$166.26 USD.
- Daily rates increased by 2.9 percent to an average of \$17.19, up from \$16.71.
- The five most expensive median unreserved parking rates in the U.S. are Midtown Manhattan (\$562), Downtown Manhattan (\$533), Boston (\$405), San Francisco (\$375) and Philadelphia (\$313).
- The five least expensive are Las Vegas (\$65), Columbia, SC (\$65), West Palm Beach (\$56), Phoenix (\$55) and Bakersfield (\$55).
- One-third of all U.S. markets have waiting lists for new parking customers. The average wait time is 9.3 months.
- Only 13 percent of markets characterize weekday parking availability as "abundant", with parking garages consistently less than 60% full. The majority of markets (55 percent) characterize parking availability as fair, with parking garages 60-80% full on weekdays and on weekends during special events.
- Just six of the U.S. markets surveyed expect new parking to be constructed in the next two years.

CANADA

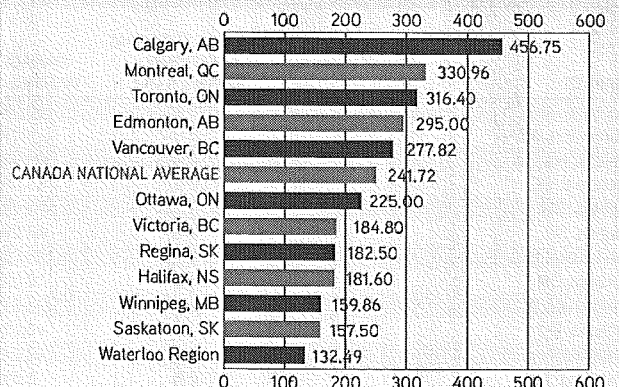
- Monthly unreserved parking rates in Canada increased by \$6.39 CAD, a 2.7 percent gain over the past year. Monthly rates increased similarly in the 2010-2011 period.
- The monthly average median unreserved parking rate in Canada is now \$241.72 CAD, up from \$235.33 in 2011.
- Canadian daily rates increased by 3.4 percent.
- All Canadian markets reported garages with wait lists. Average wait time is 7.8 months.
- Downtown median daily parking rates in Canada average \$16.04 CAD.
- The five most expensive parking districts in Canada, as represented by median unreserved monthly rates, are Calgary (\$457 CAD), Montreal (\$331), Toronto (\$316), Edmonton (\$295) and Vancouver (\$278).
- Five of the Canadian markets surveyed (Calgary, Ottawa, Saskatoon, Winnipeg and Waterloo Region) expect new parking garages to be added in the next two years.

UNITED STATES MONTHLY PARKING RATES* (USD)



*Monthly unreserved median rates

CANADA MONTHLY PARKING RATES* (CAD)



*Monthly unreserved median rates

UNITED STATES

MARKET	GARAGES OFFERING ADDITIONAL SERVICES (%)	GARAGES WITH WAITING LISTS (%)	TYPICAL WAIT PERIOD (MONTHS)	AVAILABILITY OF PARKING	GARAGES TO BE ADDED IN NEXT 24 MONTHS	NUMBER OF PARKING SPOTS TO BE ADDED
Atlanta, GA	25.0%	0.0%	-	Fair	-	-
Bakersfield, CA	0.0%	0.0%	-	Fair	3	N/A
Bellevue, WA	25.0%	15.0%	N/A	Fair	-	-
Boise, ID	0.0%	5.0%	-	Limited	-	-
Boston, MA	45.0%	0.0%	-	Fair	-	-
Charleston, SC	0.0%	15.0%	12.0	Limited	-	-
Chicago, IL	60.0%	15.0%	2.5	Fair	-	-
Cincinnati, OH	15.0%	25.0%	12.0	Fair	-	-
Columbia, SC	0.0%	0.0%	-	Fair	1	532
Columbus, OH	20.0%	0.0%	-	Fair	1	1,200
Dallas, TX	45.0%	0.0%	-	Fair	-	-
Denver, CO	25.0%	0.0%	-	Fair	2	370
Fresno, CA	10.0%	0.0%	-	Fair	-	-
Ft. Lauderdale, FL	25.0%	0.0%	-	Abundant	-	-
Greenville, SC	0.0%	0.0%	-	Abundant	-	-
Hartford, CT	10.0%	0.0%	-	Abundant	-	-
Honolulu, HI	5.0%	5.0%	2.0	Fair	-	-
Houston, TX	75.0%	0.0%	-	Limited	-	-
Indianapolis, IN	5.0%	0.0%	-	Limited	-	-
Jacksonville, FL	25.0%	0.0%	-	Abundant	-	-
Las Vegas, NV	0.0%	0.0%	-	Fair	-	-
Little Rock, AR	20.0%	45.0%	1.0	Limited	1	400
Los Angeles, CA	15.0%	0.0%	-	Fair	-	-
Memphis, TN	0.0%	5.0%	N/A	-	-	-
Miami, FL	30.0%	0.0%	-	Fair	-	-
Minneapolis, MN	25.0%	0.0%	-	Fair	-	-
New Haven, CT	10.0%	0.0%	-	Fair	-	-
New York - Downtown	100.0%	0.0%	-	Fair	-	-
New York - Midtown	100.0%	0.0%	-	Fair	-	-
Oakland, CA	5.0%	20.0%	48.0	Fair	-	-
Omaha, NE	0.0%	100.0%	6.0	Limited	-	-
Orlando, FL	15.0%	0.0%	-	Fair	-	-
Philadelphia, PA	20.0%	0.0%	-	Fair	1	540
Phoenix, AZ	10.0%	0.0%	-	Fair	2	1,000
Portland, OR	10.0%	5.0%	N/A	Fair	-	-
Raleigh, NC	10.0%	0.0%	6.0	Abundant	-	-
Sacramento, CA	25.0%	0.0%	-	Fair	-	-
San Diego, CA	5.0%	3.0%	6.0	Limited	-	-
San Francisco, CA	65.0%	10.0%	N/A	Fair	-	-
San Jose/Silicon Valley, CA	20.0%	0.0%	-	Fair	-	-
Seattle, WA	10.0%	5.0%	1.0	Fair	-	-
Tampa, FL	15.0%	5.0%	6.0	Abundant	-	-
Walnut Creek/Pleasanton	25.0%	0.0%	-	Fair	-	-
Washington, DC	70.0%	0.0%	-	Fair	-	-
West Palm Beach, FL	25.0%	0.0%	-	Abundant	-	-
U.S. NATIONAL AVERAGE/TOTALS	23.2%	6.2%	9.3	-	11	4,042

CANADA

MARKET	GARAGES OFFERING ADDITIONAL SERVICES (%)	GARAGES WITH WAITING LISTS (%)	TYPICAL WAIT PERIOD (MONTHS)	AVAILABILITY OF PARKING	GARAGES TO BE ADDED IN NEXT 24 MONTHS	NUMBER OF PARKING SPOTS TO BE ADDED
Calgary, AB	10.0%	30.0%	N/A	Limited	1	1,390
Edmonton, AB	5.0%	5.0%	2.0	Fair	-	-
Halifax, NS	0.0%	80.0%	18.0	Limited	-	-
Montreal, QC	75.0%	15.0%	5.0	Fair	-	-
Ottawa, ON	15.0%	90.0%	3.0	Fair	2	175
Regina, SK	0.0%	60.0%	24.0	Limited	-	-
Saskatoon, SK	0.0%	100.0%	8.0	Limited	3	160
Toronto, ON	20.0%	10.0%	1.0	Fair	-	-
Vancouver, BC	25.0%	25.0%	2.0	Fair	-	-
Victoria, BC	0.0%	40.0%	12.0	Fair	-	-
Waterloo Region	0.0%	40.0%	N/A	Fair	1	412
Winnipeg, MB	5.0%	5.0%	2.5	Fair	1	464
CANADA NATIONAL AVERAGE/TOTALS	12.9%	41.7%	7.8	-	8	2,601

UNITED STATES

MARKET	MONTHLY UNRESERVED PARKING RATE (USD)				MONTHLY RESERVED PARKING RATE (USD)			
	LOW	MEDIAN	HIGH	% CHANGE VS. 2011	LOW	MEDIAN	HIGH	% CHANGE VS. 2011
Atlanta, GA	55.00	95.00	135.00	0.0%	55.00	150.00	200.00	0.0%
Bakersfield, CA	45.00	55.00	65.00	0.0%	60.00	60.00	70.00	0.0%
Bellevue, WA	109.50	195.00	213.53	8.3%	225.00	325.00	390.00	2.5%
Boise, ID	80.00	80.00	90.00	0.0%	90.00	95.00	100.00	0.0%
Boston, MA	320.00	405.00	520.00	-7.5%	140.00	400.00	600.00	-11.7%
Charleston, SC	110.00	120.00	140.00	0.0%	125.00	130.00	150.00	-3.7%
Chicago, IL	210.00	289.00	485.00	0.0%	289.00	415.00	575.00	3.8%
Cincinnati, OH	40.00	125.40	210.00	0.0%	170.00	195.00	210.00	0.0%
Columbia, SC	40.00	65.00	90.00	0.0%	65.00	80.00	135.00	-5.9%
Columbus, OH	75.00	95.00	150.00	-13.6%	100.00	135.00	220.00	-4.9%
Dallas, TX	40.00	87.00	155.00	2.4%	80.00	160.00	300.00	3.2%
Denver, CO	100.00	180.00	260.00	2.9%	130.00	225.00	275.00	0.0%
Fresno, CA	65.00	80.00	95.00	33.3%	70.00	80.00	100.00	14.3%
Ft. Lauderdale, FL	60.00	78.00	90.00	0.0%	100.00	138.00	200.00	0.0%
Greenville, SC	40.00	69.70	70.00	0.0%	65.00	82.50	100.00	-12.9%
Hartford, CT	151.69	189.74	264.05	-5.7%	151.69	189.74	264.05	-5.7%
Honolulu, HI	195.00	230.00	255.00	5.9%	287.96	350.00	395.00	1.4%
Houston, TX	70.00	160.00	335.00	4.6%	130.00	255.00	350.00	7.6%
Indianapolis, IN	45.00	115.00	175.00	15.0%	45.00	107.00	155.00	7.0%
Jacksonville, FL	90.95	90.00	107.00	-11.5%	107.00	107.00	155.15	0.0%
Las Vegas, NV	65.00	65.00	65.00	0.0%	95.00	95.00	95.00	0.0%
Little Rock, AR	58.63	68.00	76.15	2.8%	59.71	76.46	93.21	3.3%
Los Angeles, CA	100.00	220.93	363.00	5.5%	200.00	275.50	600.00	-2.5%
Miami, FL	50.00	125.00	160.00	0.0%	110.00	150.00	200.00	0.0%
New Haven, CT	95.40	137.00	185.50	0.0%	-	-	-	-
New York - Downtown	348.00	533.00	800.00	0.0%	-	-	-	-
New York - Midtown	325.00	562.00	710.00	3.9%	-	-	-	-
Oakland, CA	155.00	195.00	225.00	1.3%	250.00	255.00	265.00	0.0%
Omaha, NE	47.50	70.00	111.00	3.7%	47.50	70.00	120.00	3.7%
Orlando, FL	50.00	70.00	160.00	-12.5%	70.00	125.00	320.00	-16.7%
Philadelphia, PA	200.00	313.25	464.00	3.2%	250.00	357.63	594.00	-3.4%
Phoenix, AZ	25.00	55.00	95.00	10.0%	25.00	67.50	125.00	3.8%
Portland, OR	120.00	185.00	225.00	0.0%	150.00	200.00	265.00	5.3%
Raleigh, NC	75.00	105.00	115.00	5.0%	115.00	135.00	145.00	8.0%
Sacramento, CA	100.00	145.00	185.00	-6.5%	150.00	185.00	225.00	0.0%
San Diego, CA	150.00	175.00	200.00	2.9%	190.00	240.00	320.00	6.7%
San Francisco, CA	120.00	375.00	535.00	0.0%	250.00	450.00	750.00	12.5%
San Jose/Silicon Valley, CA	70.00	115.00	165.00	15.0%	150.00	200.00	250.00	0.0%
Seattle, WA	135.00	285.00	340.00	-3.1%	295.00	350.00	450.00	-7.7%
Tampa, FL	100.00	125.00	150.00	0.0%	120.00	190.00	250.00	-2.6%
Walnut Creek/Pleasanton	35.00	95.00	135.00	0.0%	4.00	150.00	200.00	0.0%
Washington, DC	250.00	270.00	285.00	3.8%	450.00	525.00	600.00	5.0%
West Palm Beach, FL	30.00	56.00	100.00	0.0%	40.00	72.00	125.00	0.0%
U.S. NATIONAL AVERAGE/TOTALS	108.06	166.26	27.13	3.4%	137.67	196.21	273.41	1.9%

CANADA

MARKET	MONTHLY UNRESERVED PARKING RATE (CAD)				MONTHLY RESERVED PARKING RATE (CAD)			
	LOW	MEDIAN	HIGH	% CHANGE FROM 2011	LOW	MEDIAN	HIGH	% CHANGE FROM 2011
Calgary, AB	351.91	456.75	526.89	2.0%	429.59	495.00	568.40	-1.8%
Edmonton, AB	130.00	295.00	350.00	7.3%	240.00	285.00	375.00	-16.2%
Halifax, NS	155.25	181.60	230.00	4.8%	230.00	230.00	230.00	0.0%
Montreal, QC	271.63	330.96	461.50	11.7%	333.43	471.50	620.87	11.5%
Ottawa, ON	203.00	225.00	283.00	2.3%	305.00	320.00	395.00	33.3%
Regina, SK	140.00	182.50	225.75	8.3%	162.75	215.25	246.75	5.1%
Saskatoon, SK	152.25	157.50	215.00	0.0%	162.50	191.63	399.00	10.6%
Toronto, ON	169.50	316.40	474.41	-4.8%	385.33	528.84	813.95	10.1%
Vancouver, BC	169.40	277.82	474.32	-3.5%	243.94	409.95	596.29	-2.4%
Victoria, BC	123.20	184.80	246.40	0.0%	212.80	280.00	369.60	0.0%
Waterloo Region	107.35	132.49	150.92	3.3%	118.65	143.41	168.17	5.6%
Winnipeg, MB	126.79	159.86	292.16	5.0%	159.86	203.96	292.16	5.0%
CANADA NATIONAL AVG./TOTALS	175.02	241.72	327.53	2.7%	248.65	314.55	422.93	0.8%

*Calgary's and Edmonton's 2011 Monthly unreserved parking rates adjusted following release of 2011 Parking Survey.



Methodology and Definitions

Survey only includes covered or underground parking garages located in prime central business districts (CBDs). Parking rate data was collected during the month of June 2012 and includes all relevant taxes. Sources include third parties, owners/operators and Colliers International.

Daily Parking – The customer is permitted to park for a full day and is not impacted by “early bird” restrictions.

Unreserved Parking – The customer is guaranteed a space upon entry.

Reserved Parking – The customer is guaranteed the same space for every entry.

Parking Availability –

- **Fair:** parking garages are 60-80% full Mon-Fri and on weekends during special events.
- **Limited:** parking garages are usually full Mon-Fri and on weekends during special events.
- **Abundant:** parking garages are consistently less than 60% full. (US only)

522 offices in
62 countries on
6 continents

United States: 147
Canada: 37
Latin America: 19
Asia Pacific: 201
EMEA: 118

- \$1.8 billion in annual revenue
- 1.25 billion square feet under management
- More than 12,300 professionals

COLLIERS INTERNATIONAL

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FOR MORE INFORMATION

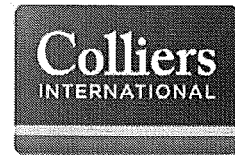
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The information contained herein has been obtained from sources deemed reliable. While every reasonable effort has been made to ensure its accuracy, we cannot guarantee it. No responsibility is assumed for any inaccuracies. Readers are encouraged to consult their professional advisors prior to acting on any of the material contained in this report.



Accelerating success.

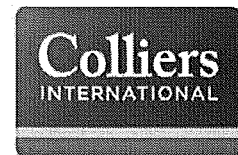


ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report is made subject to the following assumptions and limiting conditions:

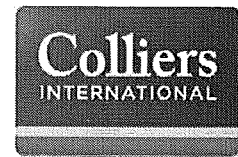
General Assumptions and Limiting Conditions

- This report is intended to communicate the appraiser's opinions relative to the value of the specified interest in the described parcels of real estate as of a specific date. All of the basic research data, statistical information, and other factual information has been obtained from sources deemed reliable and investigated through more than one source when practical and possible. Some of this information may have been provided by the owner of the Subject Property. Neither the Appraiser nor Colliers International shall be responsible for the accuracy or completeness of such information, including the correctness of estimates, opinions, dimensions, sketches, exhibits and factual matters.
- Any exhibits included in this report are intended only to assist the reader in visualizing the property appraised. No survey has been made of the property and no liability is assumed in connection with such matters. Neither is any responsibility assumed for matters legal in character, nor is any opinion rendered as to title, which is assumed to be readily marketable. Any existing liens, assessments, bonds or other encumbrances (aside from those specifically noted) have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management.
- The opinion of value is only as of the date stated in the Appraisal. Changes since that date in external and market factors or in the Property itself can significantly affect property value.
- This report has been prepared at the direction of and for the specific use of the client to which it is addressed. Distribution of this report is at the sole discretion of the client and no distribution will be made by the appraiser unless specifically directed by the client. Neither may any reproduction of this report, whether in whole or in part, be made without the express consent of the author.
- The appraiser's compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the Client, the amount of the value estimate, the attainment of a stipulated result or the occurrence of a subsequent event.
- The Appraisal assumes the following:
 - a) responsible ownership and competent management of the Property;
 - b) there are no hidden or unapparent conditions of the Property, subsoil or structures that render the Property more or less valuable (no responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them);
 - c) full compliance with all applicable federal, state and local zoning and environmental regulations and laws, unless noncompliance is stated, defined and considered in the Appraisal; and
 - d) all required licenses, certificates of occupancy and other governmental consents have been or can be obtained and renewed for any use on which the value estimate contained in the Appraisal is based.
- In this assignment, the existence (if any) of potentially hazardous materials used in the construction and maintenance of site improvements or disposed of on the site has not been considered. It is assumed that no soil contamination exists as a result of chemical drainage or leakage in connection with any production



operations on or near the property. These materials may include (but are not limited to) the existence of formaldehyde foam insulation, asbestos insulation, or toxic wastes. The appraiser is not qualified to detect such substances and the client is advised to seek professional services in this regard from other sources.

- No physical analysis of the building or equipment has been made by a structural or mechanical engineer, and the conclusions as to condition are based on the appraiser's observation only. It is assumed that there are no hidden structural defects.
- Any projections of income and expenses appearing in this report are not to be construed as predictions of the future. They are intended to represent typical projections made by investors and developers in the current market and no warranty or representation is made that these projections will occur.
- The appraiser is not required to give testimony or appear in court in connection with this appraisal unless arrangements have been previously made.
- The forecasted potential gross income referred to in the Appraisal may be based on lease summaries provided by the owner or third parties. The Appraiser has not reviewed lease documents and assumes no responsibility for the authenticity or completeness of lease information provided by others. Colliers International recommends that legal advice be obtained regarding the interpretation of lease provisions and the contractual rights of parties.
- Information regarding earthquake, seismic hazard and flood zones impacting the subject property was provided by outside sources. Accurately reading flood and earthquake zone maps, as well as tracking constant changes in the zone designations, is a specialized skill deemed to lie outside the scope of the services provided in this appraisal assignment. No responsibility is assumed by the appraiser in the misinterpretation of these maps. Colliers International recommends that any lending institution reverify earthquake and flood zone designations for any property to be utilized as security for a mortgage loan.
- If this appraisal relates to an estate in land that is less than the fee simple estate, the value estimated for such estate relates to a fractional or partial interest only. The estimated value for such fractional interest, when added to the values of all other fractional or partial interests together comprising the whole, should not necessarily be construed as equal to the market value of the fee simple interest, and may be either more or less than such value.
- This report has been made in conformity with and is subject to the requirements of the Code of Professional Ethics and Standards of Professional Practice (including the Ethics and Competency Provisions) of the Appraisal Institute as promulgated by the Appraisal Standards Board of the Appraisal Foundation. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media without the express written consent of the author, particularly as to valuation conclusions, the identity of the appraiser or the firm with which he is associated, or any reference to the Appraisal Institute.
- The Americans with Disabilities Act (ADA) became effective January 26, 1992. Notwithstanding any discussion of possible readily achievable barrier removal construction items in this report. The Appraiser has not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the Act. If



so, this fact could have a negative effect upon the value of the property. Since the Appraiser has no direct evidence relating to this issue, the Appraiser did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.

Specific Assumptions and Limiting Conditions

- Clear and marketable title.
- The subject property is managed and marketed in a competent manner.
- There are no undisclosed exceptions to title that would adversely affect the marketability of the subject property.
- This valuation considers the subject property free and clear of any unrecorded leases, all outstanding mortgages, and all bonded indebtedness now on or placed on the property in the future.
- The Appraiser assumes the soil is of sufficient load bearing capacity for the existing improvements and that no toxic soil contamination is present on the subject site.



APPRAISAL CERTIFICATION

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, unbiased professional analyses, opinions, and conclusions. No significant facts or information have been knowingly withheld.
- We have no present or prospective interest in the property that is the subject of this report, and have no personal interest or bias with respect to the parties involved.
- Our compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of the Appraisal Institute, Royal Institute of Chartered Surveyors and American Society of Appraisers and the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation.
- The use of this report is subject to the requirements of the Appraisal Institute, Royal Institution of Chartered Surveyors and American Society of Appraisers relating to review by their duly authorized representatives.
- We certify that our State of California general real estate appraiser certificate has never been revoked, suspended, canceled, or restricted.
- In accordance with the Competence Provision in the Uniform Standards of Professional Appraisal Practice, we certify that our education, experience and knowledge is sufficient to appraise the type of property being appraised and that no appraiser provided significant professional assistance other than the co-signing appraiser, if any.
- As of the date of this report we have completed the requirements of the continuing education program of the Appraisal Institute and American Society of Appraisers.
- We have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment

Donn H. Byrne, Jr., MAI, MRICS, ASA
California Certified General Real Estate Appraiser
No. AG024033

Joel C. Yungen
California Certified General Real Estate Appraiser
No. AG044779



Donn H. Byrne, Jr., MAI, MRICS, ASA

DIRECTOR - APPRAISAL AND PROPERTY TAX DIVISION
Silicon Valley



donn.byrne@colliers.com

EDUCATION

BA Business Administration
Real Estate/Finance
Washington State University,
Pullman, WA (1991)

AFFILIATIONS OR MEMBERSHIPS

MAI (No. 11343), Appraisal Institute

MRICS (No. 5621392), Royal Institution of Chartered Surveyors

Accredited Senior Appraiser (ASA), American Society of Appraisers

Certified General Appraiser, State of California (No. AG024033)

Registered Northern California Real Estate Expert with The Bar Association of San Francisco

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BUSINESS AND EDUCATIONAL BACKGROUND

(April 1995 - Present)

Director: Appraisal & Property Tax Division of Colliers Parrish International, Inc., San Jose, California. The Appraisal & Property Tax Division of Colliers Parrish International works in tandem with the individual brokerage groups of Colliers Parrish International to perform real property appraisal assignments and minimize the property tax obligations of our clients.

(August 1992 - April 1995)

Appraiser/Tax Consultant: Cushman & Wakefield Appraisal Division/Tax Consulting Group, San Jose, California. Participated in the development and execution of Cushman & Wakefield's property tax consulting business throughout the Western United States. Performed appraisal assignments on virtually every type of industrial, commercial, multi-family residential, and several special use properties.

(June 1991 - August 1992)

Appraiser: Lefmann, Martin & Associates, San Jose, California. Responsible for the appraisal of industrial, commercial, and multi-family residential properties.

CONTINUING EDUCATION

Appraisal Institute:

Course 110 - Appraisal Principles

Course 120 - Appraisal Procedures

Course 310 - Basic Income Capitalization

Course 320 - General Applications

Course 410/420 - Standards of Professional Practice, Part A (USPAP) and Part B

Course 510 - Advanced Income Capitalization

Course 520 - Highest and Best Use & Market Analysis

Course 530 - Advanced Sales Comparison and Cost Approaches

Course 540 - Report Writing & Valuation Analysis

Course 550 - Advanced Applications

Non-Residential Demonstration Appraisal

Report Writing Seminar

Received Credit for Non-Residential

Demonstration Appraisal Report Submission

Successful Completion of the Comprehensive Exam

University Level Real Estate Course Work:

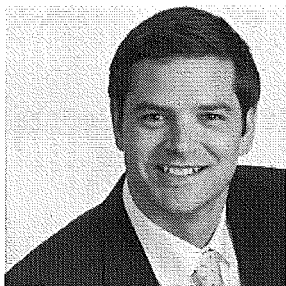
RE305 - Real Estate Principles

RE405 - Real Estate Valuation (Appraisal)

RE406 - Real Estate Administration

RE407 - Real Estate Finance and Investment

BL410 - Real Estate Law



Joel Yungen

ASSOCIATE – APPRAISAL & PROPERTY TAX DIVISION
Silicon Valley

CA General Certified Real Estate Appraiser AG044774
CA License No. 01850588



joel.yungen@colliers.com

EDUCATION

Washington & Jefferson
College, Washington, PA

Bachelor of the Arts in
Business Administration

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San Jose, CA 95113
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FAX +1 408 292 8100

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EXPERIENCE

(July 2007 – Present)

Associate: Appraisal & Property Tax Division of Colliers Parrish International, Inc., San Jose, California. The Appraisal & Property Tax Division of Colliers Parrish International works in tandem with the individual brokerage groups of Colliers Parrish International to perform property appraisal assignments and minimize the property tax obligation of our clients.

Concentration

Performing real property appraisal assignments on commercial properties primarily ranging in value between \$1.0m and \$20.0m and representing clients in the property tax appeal process.

- 15 Hour USPAP
- Residential Report Sales and Income Approach
- Residential Market Analysis and Highest and Best Use
- Residential Site Valuation and Cost Approach

PROFESSIONAL AFFILIATIONS

- State of California General Certified Real Estate Appraiser (AG044774)
- State of California Licensed Real Estate Salesperson (CA License No.: 01850588)

BUSINESS AND EDUCATIONAL BACKGROUND

APPRAISAL INSTITUTE COURSEWORK –

- Appraisal Principles
- Appraisal Procedures
- General Appraiser Income I and II
- General Appraiser Sales Comparison Approach
- General Appraiser Site Valuation and Cost Approach
- General Appraiser Report Writing and Case Studies
- General Appraiser Market Analysis and Highest & Best Use
- Real Estate Finance, Statistics and Valuation Modeling
- Apartment Appraisal, Concepts & Applications



COLLIERS INTERNATIONAL SILICON VALLEY



APPRAISAL AND PROPERTY TAX DIVISION

SERVICES

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Estate Tax and Trust Valuations
Fractional Interest Valuations

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Expert Witness Testimony

Consulting

Highest & Best Use
Determination
Rental Arbitration/Mediation
Buy, Sell or Hold Assistance
Market Rent Studies

Property Tax

Assessment Appeals

FINANCIAL INSTITUTIONS

1. US Bank
2. Union Bank
3. Bank of the West
4. Wells Fargo Bank
5. Comerica Bank
6. Heritage Bank
7. Northern Trust
8. Symetra Life Insurance Company
9. Bank of the Orient
10. GE Commercial Finance
11. Bank of Alameda
12. Pinnacle Bank
13. California Bank of Commerce
14. AIG Investments
15. John Hancock Financial Services
16. First Republic Bank
17. CIT Bank
18. Bridge Bank

CORPORATION/GOVERNMENT USERS

1. Google
2. Tesla Motors, Inc.
3. Toyota Auto Sales, U.S.A., Inc.
4. GenOn
5. Verizon Wireless
6. San Jose Redevelopment Agency
7. Consulate General of Mexico
8. San Jose Water Company
9. Life Technologies
10. Loral Space Systems
11. Fed Ex Freight West
12. Xilinx Inc.

13. Applied Materials

14. Celera

15. NetApp

16. Rambus

17. Spanion

18. Bebe Stores, Inc.

19. Seagate

20. Safeway

DEVELOPERS

1. Overton Moore Properties

2. Menlo Equities

3. Catellus

4. Equity Office

5. Sobrato Development

6. LBA Realty

7. South Bay Development Company

8. The LandBank Group, Inc.

ATTORNEYS

1. Pillsbury Winthrop Shaw Pittman LLP

2. Wendel, Rosen, Black & Dean LLP

3. Hoge, Fenton, Jones & Appel, Inc.

4. Hopkins & Carley

5. Rossi Hamerslough Reischl and Chuck

6. Wilson Sonsini Goodrich & Rosati

7. Matteoni, Saxe & O'Laughlin

8. Silicon Valley Law Group

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Business, Transportation & Housing Agency

OFFICE OF REAL ESTATE APPRAISERS

REAL ESTATE APPRAISER LICENSE

Donn H. Byrne Jr.

has successfully met the requirements for a license as a general real estate appraiser in the State of California and is, therefore, entitled to use the title "Certified General Real Estate Appraiser".

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

OREA APPRAISER IDENTIFICATION NUMBER

AG024033

Date Issued: August 15, 2012

Date Expires: August 14, 2014

Audit No. 140634

Diane Westphal

Deputy Director, OREA



STATE OF CALIFORNIA

Business, Transportation & Housing Agency

OFFICE OF REAL ESTATE APPRAISERS
REAL ESTATE APPRAISER LICENSE

JOEL C. YUNGJEN

has successfully met the requirements for a license as a general real estate appraiser in the State of California and is, therefore, entitled to use the title "Certified General Real Estate Appraiser".

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

OREA APPRAISER IDENTIFICATION NUMBER

AG044779

Date Issued: April 12, 2011

Date Expires: April 11, 2013

Director, OREA

Audit No. 133239

Attachment B

The 88 Parking Garage Revenues_Expenses Summary

	Statement Date	Total Revenue	Total Operating Expenses	Total HOA Fees	PG&E Charges	Net Operating Income (Loss)
CY 2015	1/31/2015	39,312.65	24,353.98	20,686.87	1,848.58	-7,576.78
CY 2014	12/31/2014	49,016.53	22,200.11	20,686.87	1,855.22	4,274.33
	11/30/2014	36,909.80	21,093.95	20,686.87	1,922.50	-6,793.52
	10/31/2014	37,303.82	22,109.38	20,686.87	2,759.19	-8,251.62
	9/30/2014	37,868.30	22,266.62	20,686.87	2,717.05	-7,802.24
	8/31/2014	42,732.68	25,778.87	20,686.87	2,414.55	-6,147.61
	7/31/2014	35,373.47	26,060.29	20,686.87	2,602.55	-13,976.24
	6/30/2014	36,229.55	21,506.36	20,686.87	2,644.60	-8,608.28
	5/31/2014	42,026.36	22,129.51	20,686.87	2,467.44	-3,257.46
	4/30/2014	37,822.76	25,315.80	20,686.87	1,779.35	-9,959.26
	3/31/2014	42,566.12	23,162.08	20,686.87	1,883.82	-3,166.65
	2/28/2014	36,713.65	22,666.67	20,686.87	1,620.61	-8,260.50
	1/31/2014	42,676.69	25,631.59	20,686.87	1,784.56	-5,426.33
					Year Loss	-77,375.38
CY 2013	12/31/2013	45,730.17	23,355.72	19,055.89	1,619.90	1,698.66
	11/30/2013	37,089.90	21,063.66	19,055.89	1,940.17	-4,969.82
	10/31/2013	38,932.06	22,914.47	19,055.89	2,520.58	-5,558.88
	9/30/2013	40,276.44	20,782.54	19,055.89	2,295.90	-1,857.89
	8/31/2013	42,241.30	21,480.45	19,055.89	2,344.86	-639.90
	7/31/2013	32,633.10	25,214.23	19,055.89	2,425.65	-14,062.67
	6/30/2013	37,966.54	20,831.11	19,055.89	2,530.40	-4,450.86
	5/31/2013	38,839.23	23,072.26	19,055.89	2,470.77	-5,759.69
	4/30/2013	34,677.82	22,822.67	19,055.89	1,699.07	-8,899.81
	3/31/2013	37,735.13	21,758.78	19,055.89	1,824.85	-4,904.39
	2/28/2013	32,570.70	22,685.92	19,055.89	1,568.42	-10,739.53
	1/31/2013	40,408.32	22,527.24	19,055.89	1,916.57	-3,091.38
					Year Loss	-63,236.16

Attachment B

The 88 Parking Garage Revenues_Expenses Summary

	Statement Date	Total Revenue	Total Operating Expenses	Total HOA Fees	PG&E Charges	Net Operating Income (Loss)
CY 2015	1/31/2015	39,312.65	24,353.98	20,686.87	1,848.58	-7,576.78
CY 2014	12/31/2014	49,016.53	22,200.11	20,686.87	1,855.22	4,274.33
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	9/30/2014	37,868.30	22,266.62	20,686.87	2,717.05	-7,802.24
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	7/31/2014	35,373.47	26,060.29	20,686.87	2,602.55	-13,976.24
	6/30/2014	36,229.55	21,506.36	20,686.87	2,644.60	-8,608.28
	5/31/2014	42,026.36	22,129.51	20,686.87	2,467.44	-3,257.46
	4/30/2014	37,822.76	25,315.80	20,686.87	1,779.35	-9,959.26
	3/31/2014	42,566.12	23,162.08	20,686.87	1,883.82	-3,166.65
	2/28/2014	36,713.65	22,666.67	20,686.87	1,620.61	-8,260.50
	1/31/2014	42,676.69	25,631.59	20,686.87	1,784.56	-5,426.33
					Year Loss	-77,375.38
CY 2013	12/31/2013	45,730.17	23,355.72	19,055.89	1,619.90	1,698.66
	11/30/2013	37,089.90	21,063.66	19,055.89	1,940.17	-4,969.82
	10/31/2013	38,932.06	22,914.47	19,055.89	2,520.58	-5,558.88
	9/30/2013	40,276.44	20,782.54	19,055.89	2,295.90	-1,857.89
	8/31/2013	42,241.30	21,480.45	19,055.89	2,344.86	-639.90
	7/31/2013	32,633.10	25,214.23	19,055.89	2,425.65	-14,062.67
	6/30/2013	37,966.54	20,831.11	19,055.89	2,530.40	-4,450.86
	5/31/2013	38,839.23	23,072.26	19,055.89	2,470.77	-5,759.69
	4/30/2013	34,677.82	22,822.67	19,055.89	1,699.07	-8,899.81
	3/31/2013	37,735.13	21,758.78	19,055.89	1,824.85	-4,904.39
	2/28/2013	32,570.70	22,685.92	19,055.89	1,568.42	-10,739.53
	1/31/2013	40,408.32	22,527.24	19,055.89	1,916.57	-3,091.38
					Year Loss	-63,236.16